

NEWS SUMMARY

GENERAL

Belfast
ag
lay
killings

terrorist, posing as a univer-
rag student, shot dead a
man security guard and a
dier in the centre of Belfast
terday.
The City was crowded with
dents from Queen's University
o were celebrating Rag Day
collecting for charity when
rorists, wearing Arab costume,
roached a security gate. One
hem opened fire with a pistol.
The Rev. Ian Paisley, Mr.
est Baird and seven of their
ter Loyalist supporters, were
ared of charges alleging that
y impeded the police in Bally-
na. Co. Antrim during last
s Loyalist strike.
n Dublin, it was announced
t Eire is to set up an elite
ti-terrorist police task force of
men

BUSINESS

Equities
down 8
on week;
Gilts firm

● EQUITIES responded to
cheap buying, and initial gains
were maintained. The FT Ind-

450

FT Industrial
Ordinary
Index

440

430

27 28 1 2 3

racks found in
oncorde wings

airline cracks have been dis-
covered in the outer part of the
ngs of British Airways' Con-
corde fleet. They are to be
paired during routine mainte-
nce in the next few weeks,
a airline said, emphasising that
ere was nothing dangerous
out them. India has refused
allow Concorde to overfly the
ntry at supersonic speed.
aysia talks, Page 4

ed Arrows
rash kills two

RAF Wing Commander and
ight-Lieutenant died yester-
y when a Gnat crashed on the
way at Kemble, Glos, during
ed Arrows routine rehearsal.
no aircraft were airborne at
time, but there was no mid-
collision.

ore crime
London

Metropolitan Police reported
crime increase for last year.
David McVee, Metropolitan
three Commissioner, is to set up
unit to co-ordinate aspects of
his reorganisation. Power will
ily to be devolved from
outland Yard to divisional com-
anders. Mr. James Callaghan,
ine Minister, opening a Cardiff
lice station, appealed to the
blice to help turn back "the tide
crime." Page 3

ain air crash

an Iberian Super DC-8 caught
the while landing at Santiago de
Compostela, Spain. More than 50
passengers were injured.

pace link-up

pt. Beagle, the first Czech
monosat and his Soviet com-
ander docked Soyuz-28 with
e manned orbiting space
atory, Salyut-6.

reble for Wigan

imitate Wigan's three starred
lections all won yesterday—
Warren (52-1), The Allics (5-1)
giving a 50-1 treble. His five
lections also included Desert
nd (9-4). To-day's racing,
ge 20

riefly...

ie Conservatives are 1-2
courts at Leighton to win
e next General Election with
bout 6-4. After 110-0, Back
ge

ne of West Germany's big
tional newspapers appeared
terday because of strikes and
ck-outs.

ille released 12 Christian
mocrat Party leaders from
forced exile in the province of
Tica.

r. Alfred Atherton the U.S.
attitude Middle East peace
cial envoy, arrived in Amman
painting by Sir Winston
 Churchill, sent for sale by the
altered Services Club, fetched
8,500 at Christie's Sale room.
the 6

remium Bond 100,000 prize
s been won by the West Sussex
lder of No. 4 FF 550871.

resident Tito of Yugoslavia is
visit Premier Carter from
arch 7 to 9. Mr. Karamanlis,
reek Premier is to meet Mr.
ovili, Turkish Premier, in
ntreux from March 10 to 11.

YESTERDAY

Falcons Mines 210 + 8

Western Deep 767 + 17

Winkfield 727 + 13

FALLS

Argo Invs 111 - 5

Beecham 583 - 12

Brown (J.) 273 - 4

Durapine 94 - 8

ICL 208 - 10

Int. Pacific Secs. 138 - 9

Metal Box 195 - 5

Myddleton Hotels 238 - 9

Toy Holdings 90 - 9

Wolsey-Hughes 176 - 6

Oil Exploration 194 - 10

BRIEF PRICE CHANGES

Prices in pence unless otherwise
indicated

RUBES

Century 10% 1992 1891 + 1

oval Leisure 110 + 4

lary Photo 152 + 4

NI 144 + 4

EC 141 + 4

eray Sudeley 170 + 4

eray External Prof. 112 + 8

iphan Ed. Sterling 260 + 40

oyat Insurance 362 + 7

le Cattle 38 + 4

le Cattle 203 + 6

etland Russell 323 + 16

Drop in borrowing
gives headroom
for £2bn. tax cuts

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Borrowing by the public sector is running at the lowest level for four years. The latest figures suggest that there should be sufficient headroom for the expected £1.5bn. to £2bn. tax cuts in the April Budget within the ceiling agreed with the International Monetary Fund.

The public sector borrowing requirement was £3.6bn. seasonally-adjusted, in the first nine months of the financial year 1977-78, according to a Central Statistical Office estimate published yesterday.

This is equivalent to an annual rate of £4.8bn. While the borrowing trends may not be quite as favourable in the final three months of 1977-78, the outcome looks unlikely to be more than £5.5bn. to £5.75bn. on present indications. This would be the lowest figure since 1973-74.

This compares with a Treasury projection of £7.5bn. last October and a more recent private Whitehall estimate of £5.5bn.

Indeed, after taking account of the £1bn. tax cuts last autumn, the borrowing requirement may turn out to be nearly £3bn. less than originally forecast in last year's spring Budget.

The latest figures were better than expected by the City.

The low level of borrowing this year cannot automatically be used as a base for 1978-79.

Apart from the absence next year of one-for-all influences such as the sale of BP shares, public expenditure is projected to increase and there may be less under-shooting than recently.

The main turnaround in the financial position of the nationalised industries may also have been completed and local authority borrowing may rise.

On the other side, revenue, notably Corporation Tax, could remain buoyant.

So, even if the magnitude of any borrowing shortfall could be lower than this year, last October's estimate of £7bn. for 1978-79 now looks too high.

The ceiling agreed with the IMF is £8.6bn. for the next financial year.

The general view in the City—reflected in the London Business School comments this week—is that there should be sufficient room for a net stimulus of at least £1.5bn. and possibly as much as £2bn., according to the CBI.

The National Institute, however, suggested that £2bn.-worth of tax cuts would push the borrowing requirement up to £9.4bn. next year.

The latest Whitehall estimates are believed to suggest that both the borrowing and current account constraints point to a stimulus at the lower end of the range.

But Mr. Denis Healey, the Chancellor, is still undecided about the precise figure and Continued on Back Page

U.K. recognition dilemma
over Rhodesia agreement

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRITISH Ministers recognise that they may have to endorse an elected Rhodesian Government emerging from yesterday's settlement agreement between Mr. Ian Smith and three internal black nationalist leaders.

There is no question of British endorsement of the agreement itself, reached while the guerrilla war continued and with the Patriotic Front excluded.

Government ministers are aware that any such recognition would probably be deeply opposed by many African states, some of whom might take retaliatory action against British interests in their countries.

No decision on recognition will be made before the acceptability of the agreement to the people of Rhodesia as a whole is tested. This test—the key fifth principle which Britain has laid down for recognising Rhodesian independence—is unlikely to take place for several months and possibly not before the end of this year.

Dr. David Owen, the Foreign Secretary, has been careful to point out in the last few months that no single party to the Rhodesian dispute has a veto on any party would urge immediate recognition, but many believe there are two main reasons for what appears to be a distinct softening in the Government's approach to the internal settlement.

The first is the relative speed with which the Salisbury agreement has been concluded. This has upset the Government's attempts, on the basis of the Anglo-American proposals, to bridge the gap between the so-called internal black leaders and the Patriotic Front.

In spite of public statements that he will continue to try to reconcile the internal leaders and the Patriotic Front, Dr. Owen believes that there is almost no hope of persuading the Front leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe, to participate in the Salisbury arrangements.

It is also now clear that Bishop Muzorewa, the Rev. Sithole and Mr. Ian Smith, the Rhodesian Premier, have abandoned the Anglo-American plan.

The second factor is that Dr. Owen, in particular, has come under heavy political pressure in Britain to be more encouraging to the Salisbury settlement.

Few members of parliament other than the Conservatives have any party would urge immediate recognition, but many believe there are two main reasons for what appears to be a distinct softening in the Government's approach to the internal settlement.

The first is the relative speed with which the Salisbury agreement has been concluded. This has upset the Government's attempts, on the basis of the Anglo-American proposals, to bridge the gap between the so-called internal black leaders and the Patriotic Front.

In spite of public statements that he will continue to try to reconcile the internal leaders and the Patriotic Front, Dr. Owen believes that there is almost no hope of persuading the Front leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe, to participate in the Salisbury arrangements.

It is also now clear that Bishop Muzorewa, the Rev. Sithole and Mr. Ian Smith, the Rhodesian Premier, have abandoned the Anglo-American plan.

Co-operative cuts tea prices

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

TEA BLENDERS ranks were proposed maximum price order. broken yesterday when the Co-operative Wholesale Society reduced its prices by 2p a quarter pound. The move forced the other big companies—Brooke Bond, Lyons, Tetley and Typhoo Tea—to make similar reductions.

The 2p cut is 3p less than the Government was planning to impose on manufacturers through statutory controls in the wake of the Price Commission report on the industry and about 1p less than it hoped to get through voluntary agreement.

Unlike a statutory reduction, which would take effect in about 23p a quarter in supermarkets, it may be available for less on special offer and be more expensive in smaller grocers.

Last night, negotiations were beginning between the retail trade and the blenders over who should finance the stock losses involved in an overnight price cut.

Retailers who have bought tea at the old price will want the suppliers to give them a rebate on their entire existing stock.

The companies, however, were incensed by the Commission's report. Speaking yesterday lunchtime Mr. J. Brock, chairman of the Tea Trade Committee, said the errors totally invalidated the basis on which its recommendations were made.

He described himself as "shocked" by the way a Government department had not allowed proper discussion before publicising the report.

Engineers threaten strike over pay policy

A TWO-DAY strike is to be called on March 20 and 21 at most of Britain's big engineering companies unless a dispute about the pay policy's application to minimum wage rates is resolved.

As the decision was being taken yesterday by engineering unions, the Advisory, Conciliation and Arbitration Service intervened.

Officials of the Engineering Employers' Federation met Mr. Jim Mortimer, ACAS chairman, and Mr. Andy Kerr, chief conciliation officer, to explain their side of the argument.

Unions are to meet ACAS on Monday.

By setting the strike date a fortnight off, the unions have given themselves plenty of time for another approach to the employers.

If ACAS fails to settle the dispute, the Department of Employment may step in.

Oil imports add to U.S. trade deficit

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 3.

THE U.S. trade deficit increased last month by more than \$280m. largely because of heavier imports of oil.

The January deficit came to \$2.38bn., up from the \$2.12bn. of December. Exports dropped by nearly \$1bn. in the month to just over \$10bn., whereas imports fell from \$13.12bn. to \$12.39bn.

In December, both the export and import returns were artificially inflated as goods moved again on the end of the East and Gulf coast dock strike.

Temporary factors may also have helped in January, as the bad winter and the coal strike raised the level of demand for oil.

In January crude oil imports were worth over \$2.6bn. and over \$3.3bn. for all petroleum and related products. In December, the comparative figures were \$2.3bn. and \$2.9bn., respectively.

As President Carter said yesterday, the administration still believes that the level of oil imports should flatten out over this period. However, it seems clear that if the coal strike is not settled soon—and the early returns of the miners voting unaffected by either strikes or the bad weather.

Pressure on dollar eases

BY MICHAEL BLANDEN

THE DOLLAR recovered slightly against the strong European currencies yesterday, possibly with the help of some official U.S. support in this exchange market.

The improvement followed a week of intense pressure on the U.S. currency in nervous and at times hectic exchange market dealings. The heavy speculative movements took the dollar below the DM2 level against the West German Deutsche Mark on Wednesday and again on Thursday.

The pressures have also brought a series of increasingly severe measures by the Swiss and other authorities to stem the inflow of funds, coupled with warnings by Kuwait that it might put forward proposals to protect the earnings of oil-producing countries against the effects of the fall in the dollar.

The prospect of a further decline in the dollar was held out by Count Otto Lamsdorff, West German Economics Minister. He said in West Berlin that the tendency remained for the dollar to be devalued and argued that this could result in a slower growth rate for Germany.

The dollar closed yesterday at DM2.0220, up from DM2.0090 the previous day, and rose against the Swiss franc from Sw.Frs.1.5350 to Sw.Frs.1.5550.

The pound slipped 30 points to \$1.9986, but its trade-weighted index rose to 65.3 against 65.1.

£ in New York

March 3 Previous

Spot \$1.9980-910 \$1.9818-9025

1 month 0.020-0.015 0.014-0.010

3 months 0.020-0.015 0.020-0.010

12 months 1.07-1.10 1.10-1.15

Financial Times

Changes in the Saturday Financial Times mean that some regular features this week have changed places. News, both home and overseas, is being concentrated in the first few pages, followed by a review of the financial markets, and then by the magazine pages. Radio and television schedules are with the entertainment guide on the Arts and Collecting Page.

Engineers threaten strike over pay policy

A TWO-DAY strike is to be called on March 20 and 21 at most of Britain's big engineering companies unless a dispute about the pay policy's application to minimum wage rates is resolved.

As the decision was being taken yesterday by engineering unions, the Advisory, Conciliation and Arbitration Service intervened.

Officials of the Engineering Employers' Federation met Mr. Jim Mortimer, ACAS chairman, and Mr. Andy Kerr, chief conciliation officer, to explain their side of the argument.

Unions are to meet ACAS on Monday.

By setting the strike date a fortnight off, the unions have given themselves plenty of time for another approach to the employers.

If ACAS fails to settle the dispute, the Department of Employment may step in.

Oil imports add to U.S. trade deficit

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 3.

THE U.S. trade deficit increased last month by more than \$280m. largely because of heavier imports of oil.

The January deficit came to \$2.38bn., up from the \$2.12bn. of December. Exports dropped by nearly \$1bn. in the month to just over \$10bn., whereas imports fell from \$13.12bn. to \$12.39bn.

In December, both the export and import returns were artificially inflated as goods moved again on the end of the East and Gulf coast dock strike.

Temporary factors may also have helped in January, as the bad winter and the coal strike raised the level of demand for oil.

In January crude oil imports were worth over \$2.6bn. and over \$3.3bn. for all petroleum and related products. In December, the comparative figures were \$2.3bn. and \$2.9bn., respectively.

As President Carter said yesterday, the administration still believes that the level of oil imports should flatten out over this period. However, it seems clear that if the coal strike is not settled soon—and the early returns of the miners voting unaffected by either strikes or the bad weather.

Pressure on dollar eases

BY MICHAEL BLANDEN

THE DOLLAR recovered slightly against the strong European currencies yesterday, possibly with the help of some official U.S. support in this exchange market.

The improvement followed a week of intense pressure on the U.S. currency in nervous and at times hectic exchange market dealings. The heavy speculative movements took the dollar below the DM2 level against the West German Deutsche Mark on Wednesday and again on Thursday.

The pressures have also brought a series of increasingly severe measures by the Swiss and other authorities to stem the inflow of funds, coupled with warnings by Kuwait that it might put forward proposals to protect the earnings of oil-producing countries against the effects of the fall in the dollar.

The prospect of a further decline in the dollar was held out by Count Otto Lamsdorff, West German Economics Minister. He said in West Berlin that the tendency remained for the dollar to be devalued and argued that this could result in a slower growth rate for Germany.

The dollar closed yesterday at DM2.0220, up from DM2.0090 the previous day, and rose against the Swiss franc from Sw.Frs.1.5350 to Sw.Frs.1.5550.

The pound slipped 30 points to \$1.9986, but its trade-weighted index rose to 65.3 against 65.1.

£ in New York

March 3 Previous

Spot \$1.9980-910 \$1.9818-9025

1 month 0.020-0.015 0.014-0.010

3 months 0.020-0.015 0.020-0.010

12 months 1.07-1.10 1.10-1.15

Financial Times

Changes in the Saturday Financial Times mean that some regular features this week have changed places. News, both home and overseas, is being concentrated in the first few pages, followed by a review of the financial markets, and then by the magazine pages. Radio and television schedules are with the entertainment guide on the Arts and Collecting Page.

10.4% per annum paid quarterly

ALL EQUITIES

Why all equities?

Schlesingers' Extra Income Trust is a trustee investment and offers one of the highest returns currently available from a unit trust invested only in ordinary shares.

Whilst the managers could obtain a still higher yield by including some listed interest investments, such investments cannot increase their dividends and also have less potential for capital growth. The all-equity portfolio of the Schlesingers Extra Income Trust, by contrast, maximises the potential for growth of income and capital.

A current opportunity

By careful selection of sound stocks including attractive recovery situations and well-researched regional equities, Schlesingers provide a particularly high equity-based yield.

However the recent downward trend in interest rates, and the growing relative attraction of ordinary shares with very high yields suggest that such yields may not be available to new investors indefinitely.

Indeed, many investors have recognised the urgency of securing the current opportunity by placing over £7m in the fund in the nine months since its inception. Over this period, the unit price has risen 17.6%, and the FT Actuaries All-share Index 3.8%.

We therefore recommend immediate investment at the current, high rate of return to gain the potential of capital appreciation. Your investment should be regarded as long-term.

Schlesingers' PIMS service

Minimum investment in the fund is £500. Investors of £2,500 or more will receive the Schlesinger Personal Investment Management Service (PIMS), which includes regular investment reports and invitations to meet the investment managers.

Schlesingers—specialists in the management of private, institutional and pension funds.

A fixed price offer

Units are on offer at the fixed price of 29.4p v.d. for investments received by March 13.

The offer will close before March 15 if the actual offer price varies by more than 2% from the fixed price. In this event units will be available at the price then ruling.

Remember that the price of units, and the income from them, may go down as well as up.

General Information

To invest, see the prospectus. A prospectus will be sent to you on request. It will contain a detailed description of the fund and its objectives. It will also contain a list of the units held by the fund and the names of the unit holders. It will also contain a list of the units held by the fund and the names of the unit holders. It will also contain a list of the units held by the fund and the names of the unit holders.

I wish to invest: £

(minimum £500)

In the Schlesingers Extra Income Trust at the fixed price of 29.4p v.d.

I wish to have my dividends re-invested

I would like further information, including details of Share Exchange

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

Schlesinger Extra Income Trust

Contents of to-day's issue

Overseas news 2

Home news—general 3, 4, 22

Labour 4

Arts page 12-13

Leader page 14

U.K. Companies 16-17

Mining 5

Intl. Companies 21

Wall Street 23

Foreign Exchanges 20

Farming, raw materials 21

U.K. stock market 24

French election: Focus on 2

Landesbanks restore a tarnished image 19

Hanoi's final option 2

Swimming pools 18

Unit Trusts 25

Weather 26

Year Services & Inv. 7

OFFER FOR SALE

Cosmetology 27

Caravans 28

Lawson 'Double' 29

M & C Special 30

Piccadilly Flexible 31

Schlesinger Income 32

TV and Radio 32

ANNUAL STATEMENTS

S. W. Perforce 15

Carroll Invest. 17

Cambridge Invest. 17

For latest Share Index 'phone 01-246 8026

HOME NEWS

Europe
MPs' ask 'is
ital'

Ray Perman, DIRECTLY-ELECTED European Parliament will face an initial task in making the call of Ministers and the Jean Commission account for the policies they pursue, Christopher Tugendhat, one of British members of the mission, said yesterday.

While it was true individual national parliaments would not have their own representation on the Council, they could interrogate or influence the call as a whole about the policies for which it was made.

Only a supra-national body could be used on a Community basis to perform the vital task of forcing the call fully to explain and justify its corporate acts, he said.

Just because this is so, the fact of the European Parliament properly discharging this task will not be to encourage the legitimate preserves of national parliaments, but rather to ensure an extension of democratic influence which otherwise is not taken place.

Like the American Congress, the European Parliament would not be able to form government, it should follow the example and develop own powers to demand information in order to scrutinise the activities of other institutions.

In a later speech, Mr. Tugendhat defended the Commission's decision to press for a common and monetary union at a time when many people thought it was politically unrealistic.

We are now campaigning for a common and monetary union, because it is central to our aim of developing the Community and because we believe it will provide a framework within which Europe's political-economic problems of high unemployment, low investment and inadequate growth can be tackled, he said.

Police warning
in election

MERLYN REES, the Home Secretary, has been warned by Police Federation's publicity adviser of possible trouble at the next general election.

Mr. Eldon Griffiths, Conservative MP for Bury St. Edmunds, wrote in a letter to Mr. Rees that police chiefs should be given a warning of possible trouble. My anxiety is that for the first time since the 1930s, a general election could be marked by serious threats to public order in various parts of the country and frequently at very short notice.

The National Front seems to be putting up a large number of candidates and groups of Left-wing extremists can be expected to use violent methods to stop them.

Air crash cost
Lloyd's £10.2m.

LOYD'S of London yesterday paid out \$10.2m. (£10.2m.) in payment of claims arising from Continental Air Lines DC-10 crash in Los Angeles last Wednesday.

The payment represents 60 per cent of the \$33m. total value of the insurance cover. The balance of it was placed in the United States.

you Liverpool port has potential
3 out! for renaissance—Rodgers

BY OUR LIVERPOOL CORRESPONDENT

THE PORT of Liverpool has all the potential for a renaissance, there could be no special Government funds to help towards this end, Mr. William Rodgers, Transport Secretary, said yesterday.

I would be no good the Mersey Docks and Harbour Company approaching the Government with a begging bowl, Mr. Rodgers said. I have seen nothing which could not generate a feeling of hope, given energetic leadership. Indeed, there could be a renaissance, he said.

Asked about possible financial assistance for this, with Merseyside classified as a special development area, Mr. Rodgers said: "I do not think the port needs special treatment. After all, £50m. of loans have been made available already."

"I have been able to make a visual assessment of the potential available and I am sure the signs are good."

A Government grant of up to 50 per cent could be made available towards the cost of providing a freightliner terminal at the £50m. Royal Seaforth Dock complex at Crosby. This would handle up to 15,000 containers a year.

At present, containers are taken by road from Seaforth, 11 miles across the city, to the railhead at Garston.

There have already been talks on the £200,000 scheme between Mersey Docks and British Rail and the proposals were explained to the Minister on the site. It would be a modified scheme, compared with the original concept for the site — shelved on the grounds of economy.

No time schedule or destination terminal has so far been agreed.

Sir Arthur Peterson, chairman of the docks company, told the Minister that the port's rail link was essential to attract more trade. It would provide a better service for shippers and ease congestion on Liverpool roads.

Law 'could lead
to exploitation
of home buyers'

BY MICHAEL CASSELL

HOUSE BUYERS could be exploited by "rogue" mortgage brokers because of laws on Restrictive Trade Practices administered by the Office of Fair Trading.

The claim was made yesterday by the Corporation of Mortgage Finance and Life Assurance Brokers, which described the legislation as a retrograde step and claimed it encouraged disreputable mortgage broking activities.

The corporation says that it is no longer able to quote either a scale of maximum fees, recommended fees, retainers or any other charges. All relevant mortgage brokers' literature has been amended, and members were being circulated with the revised guidelines.

The corporation said its progress over the last few years to self-regulate the mortgage

finance and life assurance broking industry "could be negated by this decision because it will no longer be possible to offer firm guidelines or advice, or give guidance on any charges made by a non-member."

It added: "We do not consider it to be in the consumer's interest for an 'open' market to be created by the removal of these controls. The failure of the Consumer Credit Act 1974 to curb the activities of 'rogue' brokers because of a weak and apparently unsatisfactory licensing system reinforces the necessity for self-imposed controls within the industry."

Developments had created a "rogues charter" in the opinion of the corporation and "the office of Fair Trading must accept responsibility for the consequences of their decision to remove these controls."

London's violent
crimes up 23%

VIOLENT CRIME in London increased by 23 per cent last year and the total of all crime in the capital was up by 12 per cent.

Mr. Gilbert Kelland, Assistant Commissioner in charge of CID, said yesterday: "It is said that the figures will be slightly below the national average."

"That figure has not yet been published, but is likely to be 14 per cent."

The total number of crimes recorded in 1977 by the Metropolitan Police was 588,952—12 per cent up on 1976 and more than twice the rate of increase for that year.

Section 29 said the "relatively high" rate of increase became apparent only during the last six months of last year, when the increase was 18 per cent—much more than for the year as a whole.

There were 41 bank robberies compared with 28 in 1976, but 38 of the bank raids were in the first nine months of last year.

Manchester chosen
for trade centre

FINANCIAL TIMES REPORTER

MANCHESTER has been recommended as the place for the first world trade centre outside London. Civic leaders said yesterday that a feasibility study, carried out by the Association of World Trade Centres, had "come down firmly in favour of Manchester."

Seven potential sites, all in central Manchester, are being investigated, including one in the city's Albert Square.

A four-storey complex, either purpose-built or a conversion, is envisaged, providing 80,000 square feet of exhibition space at ground level and three upper floors housing a multi-lingual secretariat, conference suites, offices, penthouse service flats, restaurant and cafeteria, and a world traders' club.

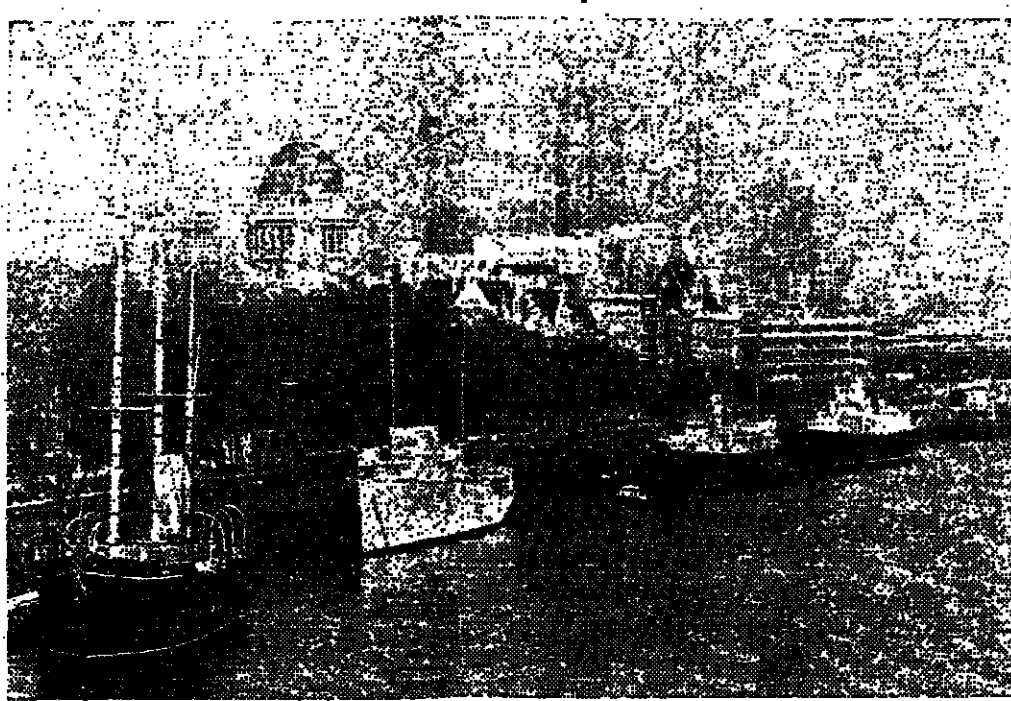
Mr. Bryan Eaton, the city estates officer, said that interest

had already been shown by one potential developer.

Councillor Gordon Conquest, chairman of the Lands Committee, said Manchester had been recommended because it was "at the cross-roads of Britain's transport system, had a first-class airport, and major seaport, and more banks and insurance companies than any other provincial city, as well as the largest and most active Stock Exchange regional floor."

Other sites being examined include the former Central Station the Arndale shopping and office centre, now at an advanced stage of construction, and the Cook and Watts building in Portland Street.

Councillor Conquest said the centre, which would be linked to the formation of a world trade association, would serve North and be a shop window for its export industries.



HMS Discovery, to the left of the line-up of permanently moored ships beside the Victoria Embankment (above), is up for disposal. The Ministry of Defence said yesterday that it wants to find a new owner for the ship that took Captain Scott to the Antarctic in 1901. Discovery's prime function as a drill ship for the Royal Naval

Reserve has disappeared with the ship to anyone who seemed capable of preserving her.

HMS Discovery, 1,630 tons, with a waterline length of 172 feet, was built for the Royal Society and Royal Geographic Society. After Scott's expedition, she was used as a supply ship. In 1929 she was used on one more Antarctic expedition, under Douglas Mawson.

than scrap her, happily give the ship to anyone who seemed capable of preserving her.

HMS Discovery, 1,630 tons, with a waterline length of 172 feet, was built for the Royal Society and Royal Geographic Society. After Scott's expedition, she was used as a supply ship. In 1929 she was used on one more Antarctic expedition, under Douglas Mawson.

Call for reduction in tariffs
to improve textile exports

BY OUR INDUSTRIAL EDITOR

INTOLERABLE tariffs against a prime object of Britain's negotiations at forthcoming talks in Tokyo on tariffs, Mr. MacArthur said yesterday.

Mr. Ian MacArthur, director of the National Association of Textile Manufacturers in Yorkshire, said last night.

Britain's wool textile industry exports nearly £390m. of goods a year and this would rise as in the world and we look to other nations, like South Korea which no more than a "tiny, extremely disappointing token."

There were also problems with the developed world, particularly the United States. The U.S. proposal for a cut in the high tariff on wool cloth imports was a year and a half ago, but it was not implemented.

Reductions in tariffs would be imposed on 80 per cent duty on

the export value of imported cloth and Brazil, which imposes a duty of 205 per cent, to join Europe cuts its already very low tariff on wool cloth imports.

There were also problems with the developed world, particularly the United States. The U.S. proposal for a cut in the high tariff on wool cloth imports was a year and a half ago, but it was not implemented.

Reductions in tariffs would be imposed on 80 per cent duty on

Tory rates pledge
'a pipe-dream'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONSERVATIVE authority on local government finance, Mr. Roland Freeman, has dismissed as a "political pipe-dream" the Tory commitment to abolish rates if they are returned to power.

In a pamphlet, *The Rates Fiddle*, he offers his alternative proposals for householders to offset their rate payments against income tax.

The pamphlet is published by the Bow Group, which is opposed to extreme Right-wing Tory policies. Mr. Freeman is Greater London Council member for Finchley, the constituency represented in Parliament by Mrs. Margaret Thatcher. He is also a former GLC finance committee chairman.

Leyland buses orders
reach £143m. record

BRITISH LEYLAND announced yesterday that its bus orders had reached a record of £143m. More than 7,000 buses, half of them double-deckers, had been ordered.

By the end of last year Leyland's penetration of the home market had risen by more than 4 per cent, to 87 per cent, for double deckers, and by 3.6 per cent, to 52.4 per cent, for single deckers.

Export orders for Africa, the Middle East, Australasia, Portugal, Denmark, Jamaica and Hong Kong were worth £43m. Leyland Truck and Bus said.

A revamped cab for Leyland's range of light and medium trucks is to be introduced in the U.K. following its launch in Europe at the Amsterdam show recently.

The G-cab replaces the O'Brien, 38, of Formby, Lancashire, last night called the decision a "gross injustice" and "bad for the many people who Leyland claims a substantial improvement in driver comfort, down as I did."

Mental illness
dismissal 'fair'

THE National Association for Mental Health (NIMH) said last night that it would appeal against a Liverpool industrial tribunal ruling that the Prudential Assurance Company did not unfairly dismiss an agent who failed to disclose a history of mental illness.

The company told the tribunal that it would not run the risk of embarrassing clients.

But the agent, Mr. Henry O'Brien, 38, of Formby, Lancashire, last night called the decision a "gross injustice" and "bad for the many people who Leyland claims a substantial improvement in driver comfort, down as I did."

If you're leaving the UK,
here's the form.

Because we handle more moves out of the UK than anyone else, we know the problems people worry about. About moving, about the countries they are going to, and about the many arrangements involved. To help you, we've prepared a number of leaflets and brochures covering the answers to these queries—and the ones you want are yours free, if you'll just send us this form.

Our free moving overseas kit

The information we've offered you alone is particularly helpful when you're planning your move to another country. But when you are coming right up to the move itself, you'll find our kit a very practical guide to all the final details you need to remember.

We'll give you this kit free, together with an estimate on moving home—and on storage, if you need it.

To get your free kit and estimate, all you need do is phone our nearest Pickfords branch (you'll find it in your phone book).

The kit includes advice on who to tell you're moving (what to do about your bank, the Inland Revenue, your medical records, etc.), a guide on how taking your assets is affected by current exchange control rules, as well as advice on how to size up the estimate.

The advantages of the biggest

Pickfords are Britain's most experienced overseas shippers. We're also the largest, which gives us the chance to get your goods away promptly.

And because we're able to take advantage of bulk shipment rates, we can quote you extremely competitively. Which, again, is one reason why we do the most overseas moves.

Please send me, free, your brochures on Moving Overseas, and your Home Moving Guide, as well as your brochures on:

Moving to ☐ Australia; ☐ Canada;
☐ New Zealand; ☐ S. Africa; ☐ USA;
☐ Belgium; ☐ France; ☐ Italy; ☐ Holland;
☐ Spain & Portugal; ☐ Switzerland;
☐ West Germany; ☐ The Middle East.

Name _____
Occupation _____
Address _____
Post to (no stamp required):
Pickfords Removals Ltd,
Head Office, FREEPOST, Enfield, Middlesex EN1 3YB.

F14.3.78

BUILDING SOCIETY
OR GILT INVESTED?

you are currently invested in the above, you can substantially reduce your net income by investing in a new Guaranteed Investment Plan. The figures for £10,000 investment are as follows:

Tax Rate	Investment	Net Income
34%	Building Society	£800 pa
	Gilt—10%	£680 pa
	Guaranteed Plan	£775 pa
65%	Building Society	£318 pa
	Gilt—10%	£350 pa
	Guaranteed Plan	£324 pa
90%	Building Society	£100 pa
	Gilt—10%	£341 pa
	Guaranteed Plan	£341 pa

you have £25,000 or more to invest, the above net income can be increased even more.

For further details of the above, complete the coupon below

to: Investment Planning Ltd,
Investment & Financial Services,
25 Victoria Street, London, SW1,
Telephone 01-234 8441

Please send me details of your new Guaranteed Plan

Group

Pickfords
REMOVALS. WE'RE IN YOUR PHONE BOOK

HOME NEWS

Sharp fall in frozen vegetables sales

BY CHRISTOPHER PARKES

SALES of frozen vegetables have fallen this winter. Birds Eye and other leading processors have been left with heavy carry-over stocks in their cold stores of peas, beans and sprouts.

As a result, farmers who grow these crops on contract have been told to grow less and forced to accept a price freeze for this year.

Potato growers, too, have been warned by the Government to limit planting this spring or face a surplus and falling prices next winter.

Birds Eye has ordered a 20 per cent. cut in the acreage planted with Brussels sprouts this season, a 30 per cent. reduction in the area sown with beans, and a 15 per cent. drop in pea production.

Prices paid to farmers will be the same as last year.

Birds Eye, which claims a 50 up prices of fresh produce and

per cent. share of the U.K. increased interest in frozen goods, but the interest was short-lived.

Farmers appear to have accepted the price freeze philosophically. They had a record year in 1976, which followed an unusually profitable season in 1975.

Mr. D. Alston, chairman of the National Farmers' Union vegetable committee, said that farmers could expect higher prices only if the processors made profits. But he warned that he would be keeping an eye on retail prices during the coming season.

In a Parliamentary reply yesterday, Mr. Silkin, Minister of Agriculture suggested that farmers should take "the prudent course" and reduce potato sowings by 13 per cent. "and thus avoid the problems which a heavy surplus can present."

Airline division has £1.2bn. ticket sales target

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TICKET SALES of more than £800m. from the British Airways U.K. and Ireland divisions were essential in this financial year if the airline was to meet its overall financial target and be able to afford new aircraft for its fleet, it was claimed yesterday.

Mr. John Norton, controller of the newly created U.K. and Ireland division, told staff yesterday that meeting this sales target was vital. It represented one-third of the total revenue budget of British Airways for 1978-79.

But equally important was the need to restore "credibility" in the market place. "As we all know, 1977 was a year of one crisis after another, and the people who suffered most were our passengers and shippers, and particularly those travelling from our provincial airports," said Mr. Norton.

Shortages of Trident caused many cancellations of flights, which particularly affected customers wishing to make connections on to our long-haul routes out of Heathrow.

"We are determined to protect the aircraft availability and capacity we need for the 1978 summer season, particularly for the Shuttle and other trunk routes which suffered so badly last year."

"We are also trying to improve connections from provincial points into and out of Heathrow, and as the summer develops, from Gatwick."

"With the strengthening of the pound sterling against many foreign currencies, the financial task of the U.K. and Ireland division is also vital to the profit."

Motor premiums to rise for 1m.

BY ERIC SHORT

ABOUT 1m. motorists insured with the Guardian Royal Exchange Group face paying an average extra 14 per cent. for their comprehensive motor insurance.

The company has announced that from April 1, it is raising its motor premiums by amounts varying from 10 to 17 per cent. The company is raising its commercial vehicle rates by an average 15 per cent.

Guardian Royal Exchange put up its motor rates 12 months ago by an average 15 per cent. The company has now rerated its premiums on an annual basis for several years and intends to keep to a yearly basis as far as possible, since it regards this as the fairest method of treating policyholders.

The company, in common with other motor insurers, has seen a steady rise in the number of claims during 1977 as petrol prices remained steady or have been reduced.

The effects of the energy crisis of 1974 which caused motorists to reduce their driving has now completely worn off.

Therefore, motorists are more exposed to accidents and not surprisingly, claims have risen to levels pertaining before the crisis.

Sun Alliance also said that it is raising its motor premium rates from April 1 by an average 12½ per cent. But the actual increases will vary according to location.

In some areas, it will rise by as little as 7 per cent. In others, it could be as much as 16 per cent. The company was not prepared to give more specific details.

Give pay guideline pledge, advertising agencies told

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT has demonstrated its determination to operate the pay policy through all types of Government contracts by including advertising agencies in the businesses expected to pledge that they will not break the pay guidelines.

Acting on instructions from the Treasury, the Central Office of Information has written to the 18 main advertising agencies through which it places Government advertisements in newspapers and other branches of the media. These advertisements cost a total £17m. last year.

The CoI has said that the agencies must state that they have no intention of exceeding the pay guidelines for their own employees.

More controversially, the CoI has also said that the agencies are responsible for the wages paid by their subcontractors. This is one of the key points at issue in the talks between the Government and the CBI which resumed on Monday with a key meeting between Ministers and CBI leaders.

However, fears that the Government would regard newspapers, television companies, and other recipients of Government advertisements as the agencies' subcontractors have been dismissed as unfounded by the CoI.

Agencies checking on this point have been told that they will not be held responsible for the wages of subcontractors, for example, by national newspapers.

Only businesses such as design offices and production studios would be regarded as subcontractors in this context.

Thames water rates rise cut

BY JAMES McDONALD

THE THAMES Water Authority, after discussions with the Price Commission, decided yesterday to reduce its increases in water charges for the coming financial year.

The new charges will come into effect from April 1. Compared with a proposed increase of about 15 per cent. for householders, the rise will now be about 10.4 per cent. and the planned rise of 18.6 per cent. for commerce and industry has been reduced to about 10.8 per cent.

But it was stressed that the authority's special meeting that the new reduced increases in charges could only be interesting.

Under its constitution, the Price Commission, until its inquiry is completed by May 23, cannot allow the authority's estimate—included in its original charges of about £5m. anticipated increased costs.

For the average London householder, the increased water charges, allowed by the Commission, will be about £4.75 up on the year to £36.75, compared with the authority's original proposal of about £37.50.

Courtaulds cuts 560 jobs

By Our Liverpool Correspondent

MORE THAN 500 workers, most of them men, are to lose their jobs as a result of the closure of two sections of Courtaulds operations at Altrincham in Liverpool and at Wrexham.

The 324 employees at Altrincham and 240 colleagues in Wrexham heard of their redundancies in a company statement yesterday.

The company said it was closing the warp-knitting and dyeing sections because of £3m. losses last year.

A mass meeting may be called by the Transport and General Workers' Union on Monday.

Larger bench to try Mail contempt case

THREE JUDGES decided yesterday that the case involving an alleged contempt of court by the Daily Mail should be heard by a larger bench of judges so that judgment in a 1959 contempt case could be reconsidered.

Lord Emslie said in the High Court in Edinburgh that there were reasons which would justify another look at the previous judgment in *Shirking v. Associated Newspapers*.

In yesterday's case, the owners of the Daily Mail, Associated Newspapers, Mr. David English, the editor, and Mr. Peter Davenport and Mr. Frank Thompson, two journalists, were accused of committing contempt and interfering with the course of justice.

The judges dismissed the petition so far as it applied to Mr. English, Mr. Davenport and Mr. Thompson, and agreed that Mr. Peter Clowes, northern editor of the Daily Mail, should take the place of Mr. English in the petition.

Mr. Archibald Thomas Hall, 53, alleged that a report in the newspaper on January 19 might have created impressions which would seriously prejudice his trial.

The petition, alleged that the Mail report constituted "a gross interference with the course of justice." It stated that Hall was charged by the police on January 16 in connection with investigations into the killing of

Denning criticises immunity given to wildcat strikes

BY PHILIP BASSETT, LABOUR STAFF

LORD DENNING, Master of the Rolls, yesterday criticised the immunity given by Parliament to unofficial and wildcat strikes.

Addressing the House of Commons, Lord Denning said that wildcat strikes were called by groups who were answerable to no-one and who were those who had no sense of responsibility.

People sometimes spoke of a right to strike as if it were one of the fundamental rights of mankind. The law, though, knew of no such right when a strike was used to inflict great harm on innocent bystanders, to disrupt essential services or to bring the country to a halt.

Those who did such things were exercising not a right but a great power. The courts could do nothing to restrain them because Parliament has forbidden them to act when a strike was "in contemplation or furtherance of a trade dispute."

The definition of a dispute was so wide that great stretches of human activity were within the power to strike was limited.

He sometimes went though, why Parliament extended that power to cover official strikes, sometimes contrary to union instructions to wildcat strikes which had sudden and disastrous results without warning.

Lord Denning also critic the system of selecting company directors, which he said was a company Board "a self-perpetuating oligarchy."

The majority of public companies were made up of directors who used enormous power honestly and wisely.

There was the rare case, however, when those in control of the company used their power for their own pockets and to their misdeeds secret.

Winders' row could shut Doncaster pits

BY PAULINE CLARK, LABOUR STAFF

THE coal producing area around Doncaster yesterday came under a threat of a strike by winders because of a dispute and early retirement.

The 90-strong National Union of Mineworkers' winders group, whose members operate the lift-cages at the surface of 10 pits in the area, said they were issuing notice of a strike to start in three weeks' time if no solution to their grievances was found.

The decision followed a ballot in which a big majority was said to have come out in favour of industrial action.

Although only a small group, the winders occupy key positions in the pits and their action could bring production to a complete halt. In the last financial year, the area contributed some 7.7m. tonnes of coal to the total coalfield output of 30.6m. tonnes.

Neither the Coal Board nor the NUM has yet received formal notice of the winders' decision. But the group has a two-day strike.

Doncaster winders have a militant background. Only weeks ago they organised a day strike over the bonus issue.

The winders complain having received a "raw deal" the outcome of recent negotiations on bonuses and early retirement.

Under the NCB product scheme coalface workers receive the highest bonus. Elsewhere underground miners take 50 per cent of that bonus while surface workers—including winders—receive 40 per cent. The payments for the week ending February 25 gave the 1 groups £20, £10 and £8 respectively.

Meanwhile in North Derbyshire, the area incentive scheme has caused a spate of strikes. High Moor Colliery near Kilham, where 500 men are on strike, Tents Colliery, where 300 men are not working, and the NUM has yet received formal notice of the winders' decision. But the group has a two-day strike.

Kodak withdraws threat over bonus payment

FINANCIAL TIMES REPORTER

KODAK DIRECTORS have withdrawn their threat not to pay their 11,000 employees £4.3m. in bonus payments.

On Thursday the company had suspended average payments of £400 because of unofficial industrial action by workers at its Harrow and Kilmarnock plants.

But after nine hours of tough negotiations yesterday, Kodak agreed to reinstate the bonus payments and in return the

Kodak union leaders have agreed to urge Kirby and Harrow return to normal working.

The unions have also agreed to make strenuous efforts to ensure that in future Kodak workers act within the law.

A statement issued by management and the union did not disclose what will happen if workers do not accept union advice to work normally.

Railways pitting section against section—Buckton

MR. RAY BUCKTON, general secretary of the train drivers' union ASLEF, warned the British Railways Board yesterday that the spirit of a Railway Pitting Section Against Section.

ASLEF's threat of a strike was called off this week but the dispute is still simmering. Mr. Buckton said that by making the offer to pay train guards, which is at the heart of the dispute, the Board had "decided to turn the clock back."

By pitting section against section, the Board would create an industrial relations climate disastrous in a nationalised public service industry.

The warning, made in the ASLEF union journal, indicates that the resumed rail pay talks could see some tough bargaining as ASLEF tries to restore discipline.

Steel workers return

A TWO-WEEK strike by engineering workers which crippled the Ebbw Vale steel plant in North Gwent is over. Men, members of the Amalgamated Union of Engineering Workers, called off the strike yesterday in the light of talks held early next week.

INDUSTRIAL action by radio officers working on North Sea oil rigs has been called off after settlement of a dispute over productivity payments.

The Radio and Electronic Officers' Union agreed to end the nearly two-week work-to-rule by 45 radio officers after Marconi Maritime management agreed to bring the officers under last year's National Maritime Board pay award. Only a few hours before settlement was reached, the

union had called for stepped action by its members.

After a series of consultations with the Employment Department the company said yesterday that the radio officers would receive the Phase Two pay award awarded to Marconi Navy radio officers backdated last June.

They would also benefit from 12½ to 14½ per cent. productivity increases dating from November.

Storekeepers continue strike

GEC STOREKEEPERS' on strike for three weeks over a pay claim increase.

The company says it is above the pay guidelines, voted yesterday to continue the stoppage.

The 300 strikers, who have rejected mediation and arbitration offers, do not meet again until next Friday. They want a £2.88 flexibility allowance in addition to a 10 per cent. increase.

The company says it is above the pay guidelines, voted yesterday to continue the stoppage.

The 300 strikers, who have rejected mediation and arbitration offers, do not meet again until next Friday. They want a £2.88 flexibility allowance in addition to a 10 per cent. increase.

Aerospace staff discuss tactics

THE executive of the British Aerospace Staff Association met today to consider the possibility of taking industrial action on recognition and a participation plan.

A non-cooperation policy which the association's 20 members could be asked to practice, would hit British Aerospace sites over recognition and a participation plan.

Malaysian Concorde talks to resume

BY OUR AEROSPACE CORRESPONDENT

TALKS BETWEEN Britain and Malaysia about Concorde flights through Malaysian airspace to and from Singapore are to resume next week in Kuala Lumpur.

Mr. George Rogers, Department of Trade under-secretary responsible for airline route negotiations, will be meeting Malaysian officials on his way back to London from discussions in Australasia.

Concorde flights to and from Singapore have been suspended since December, after only three round-trips between Bahrain and Singapore, because of Malaysian objections. These are ostensibly environmental grounds, but many aviation observers believe that other factors are also involved.

One is Malaysian dissatisfaction with the Anglo-Malaysian bilateral air agreement. It is believed that Malaysia wants additional flights into London and Hong Kong.

If the talks are successful, according to Mr. Donald Hawley, British High Commissioner in Kuala Lumpur, the U.K. is "optimistic" Concorde services could be resumed quickly, possibly before Easter.

They will not be affected by the decision of the Indian Government, announced yesterday, to continue refusing Concorde permission to overfly Indian territory superannually.

Concorde has never flown across India. During both the proving flights for the Singapore service and the fare-paying passenger services last December, Concorde flew round the southern tip of India and Sri Lanka, completely avoiding both countries.

Permission to overfly India superannually had been sought by Britain because it would cut the time and fuel consumption involved in flying south of India, thus improving Concorde's payload on the Bahrain-Singapore service.

Without this overflying, the payload would have to be restricted, especially during the very hot monsoon periods, to enable more fuel to be carried for the non-stop journey.

Superannual overflying of India, although desirable economically and technically is not essential, however. British Airways and Singapore Airlines can continue the flights as they began them, by making the detour of several hundred miles.

The superannual corridor sought across India would have run from north of Bombay to south of Madras and would have taken 20 minutes to cover.

A new investment opportunity combining performance and security

PICCADILLY

FLEXIBLE INVESTMENT PORTFOLIO

Piccadilly Unit Trust Management and The New Zealand Insurance Company (U.K.) Limited have combined their experience worldwide to enable the private investor to profit from changing international situations through a modern flexible investment formula.

PERFORMANCE

Piccadilly Unit Trust Management Limited are members of the Unit Trust Association and manage a number of unit trusts covering a wide range of investment requirements. An active investment policy is pursued and three funds feature among the top thirty unit trusts over the past twelve months.

SECURITY

The New Zealand Insurance Company (U.K.) Limited is a wholly owned subsidiary of the New Zealand Insurance Company Ltd., which was established in New Zealand in 1859. NZI's Report and Accounts dated 31 May 1977 shows a net premium income of NZ\$124.3m (£69.5m approx.) and a record net profit of NZ\$7.81m (£4.37m approx.). Its shares are quoted on the Australian and New Zealand Stock Exchanges and the market capitalisation on that date was more than NZ\$37m (£20.7m approx.).

The Piccadilly Flexible Investment Portfolio offers these important advantages:

- Expert investment management on a day to day basis (Piccadilly have 3 trusts in the top thirty performers for 1977).
- A choice of seven different Funds from which to build up the portfolio - including 2 unique Far East Funds.
- A wide range of investments within each of the Funds providing for improved security.
- Facility to switch quickly and cheaply from one Fund to another.
- Tax efficient income - by way of a quarterly withdrawal facility of between 5% and 10% a year (for investments of £2,500 or more).
- Added life assurance benefits.
- Share Exchange Scheme - enabling the exchange of shares (or Government Securities) for a holding in any of the Funds without incurring normal selling expenses.
- Quarterly bulletins providing regular information on the investment strategy and performance of the Funds.

Tax advantages:

- In most cases no tax payable by basic rate tax payers.
- Favourable treatment for higher rate tax payers.
- No personal capital gains tax liability.

For full details on how you can benefit from this new opportunity contact your financial adviser, or consult the Client Services Manager at 01-638 0801; or complete and post the coupon below.

To: Client Services Manager, Piccadilly Unit Trust Management Ltd., Wardgate House, 55a London Wall, London EC4M 3UA.

Please send me full details of the Piccadilly Flexible Investment Portfolio.

Name _____

Address _____

Telephone _____

NPFT/4/78

PICCADILLY

THE WEEK IN THE MARKETS

Lack of demand for equities

Investment demand suffered a week of growing industrial unrest and a warning from the government that the estimated growth in GDP for 1978 might not be met. For the bulk of the week, share prices fell well below the 5,000 mark.

For the first three days, equities meandered along quietly although the small gain on Tuesday was the first for seven trading days. But the line changed drastically on Thursday following the Government's announcement together with the poor results from EMI, and the Financial Times Industrial Ordinary Index fell over 10 points. A better showing was seen late yesterday but again interest was minimal.

The music divisions have also had a tough time. The business has traditionally worked on the principle that half the records sold in any one country are locally produced; the rest are imported sounds. In earlier years U.K. artists, such as the Beatles, have taken a lion's share of this market to EMI's benefit. Currently U.S. artists, aggressively promoted by the Warner and CBS labels, are in ascendancy.

Capitol, which is EMI's record company in the U.S., appears

LONDON ONLOOKER

EMI shaker

EMI's first-half performance resembled that of a quality record being played at the wrong speed. The potential for great music is there but the sound currently coming out is ill wrong.

In the first six months group profits almost halved as compared with the same period last year. EMI's principal divisions, music and electronics, slumped by 58 per cent. Prospects for the second half look grim. Group chairman Sir John Read, ironically held a meeting of institutional investors and advisers in London yesterday that EMI's second half may be as good as the first—it might even be a bit better.

Electronic profits in the first six months slid from £12.25m. to £1.3m. and one broker yesterday estimated that worldwide losses from EMI's scanner business may have been between £2m. and £3m.

These may have been even higher in the U.S. where the group has faced increasing competition in a market which has been seriously damaged by the latter administration's restrictive policies on medical expenditure. In addition EMI has added heavier-than-anticipated costs for up-dating existing scanners under its one-year warranty scheme.

EMI believes that it is over the worst of these costs and has taken steps to reduce its heavy overheads by cutting its U.S. scanner labour force from around 780 to 620, and will eventually reduce this to 500—about half of which will be in the field, on self-financing service work.

However, competitive forces are still mounting, there are now 41 suppliers of scanners in the U.S. alone, and elsewhere in the world other competitors are emerging. Some will eventually all but the way side but it may take as long as two years for the market to settle down.

to lack big name stars and has currently been left behind in the race. It has been spending hard on new talent (and there are plans to launch a new record label) in a bid to catch up and this has further depressed its figures.

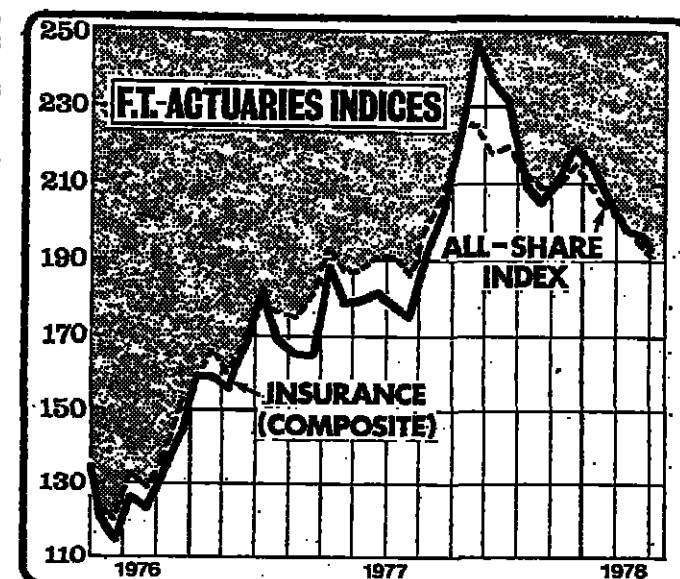
The potential for the music and scanner businesses is great; it is just a question of getting in the right groove.

Jobbing betrothal

The Monopolies Commission gave the go-ahead to the plan of two leading jobbing firms, Smith Bros. and Bigwood Bishop, to merge. But whether, after this enforced pause for reflection, the two will actually make it to the altar remains subject to negotiation, for the original terms are now obsolete.

Despite the dwindling number of jobbers now making markets on the Stock Exchange—floor, the Commission bought the argument that there was a relatively small overlap in the ranges of shares dealt in by both firms. It also accepted that a third big jobber in the share market might challenge the dominance of Wedd Durrant, and Akroyd and Smithers. Finally, there was the chance that the merged firm would be in a better position to compete in the international security markets and thus boost the City's invisible earnings.

This last point raises the question as to how jobbing firms can gain access to the international markets. London's Stock Exchange is almost alone in imposing rules that, in theory, deprive its market makers of all contact with the outside world except through its member-brokers. The lure of international securities business, where firms tend to combine the function of market-maker and broker, has encouraged jobbers to find loopholes in the rules that allow them to deal directly with foreign security traders. This has led to tension between jobbers and brokers in London.



As a result earnings per share from Soho have slipped back from around 65p-70p to taking a conservative forecast, 40p a share.

All this and the disappointment with the Forties field not reaching its planned 11 per cent increase in volume, together with weak oil prices, poor market conditions for the chemicals operations, and adverse currency movements, now means that BP could turn out earnings of 110p a share for 1978, against earlier forecasts of up to 300p.

BP projections

BP's shares are languishing around 720p, their low for the year, with good reason. Analysts' forecasts have been pulled back steadily since the middle of last year. And Tuesday's reassessment by the New York brokerage house Wertheim highlighted

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEB. 2	
	% Change
Insurance Brokers	+4.8
Tobaccos	+8.1
Beverages	+2.8
Chemicals	+2.9
Insurance (Composite)	+2.3
Mining Finance	+3.3

THE WORST PERFORMERS	
	% Change
All-Share Index	-5.1
Contracting and Construction	-8.7
Shipping	-9.2
Merchant Banks	-10.1
Entertainment, Catering	-10.6
Hire Purchase	-10.6
Newspapers, Publishing	-17.4

the trend that some London brokers have already been anticipating.

Wertheim's reassessment led to a temporary suspension of BP's U.S. associate Soho, and a subsequent drop in its share price of over 50p. In London BP's shares dropped 6p to 720p.

The specific problem with BP centres on its U.S. output where Soho has only been able to sell 180,000 barrels a day into the West Coast market against 250,000 b.d. hoped for, while

transport costs have been higher than anticipated.

As a result earnings per share from Soho have slipped back from around 65p-70p to taking a conservative forecast, 40p a share.

All this and the disappointment with the Forties field not reaching its planned 11 per cent increase in volume, together with weak oil prices, poor market conditions for the chemicals operations, and adverse currency movements, now means that BP could turn out earnings of 110p a share for 1978, against earlier forecasts of up to 300p.

Composites shine

It was all smiles this week when the three composite insurance companies with big U.S. interests reported their 1977 results. For each one, Commercial Union, General Accident and Royal had good news to report from this problem territory. CU and Royal returned to underwriting profits while GA had only a small loss—the final quarter's business in each case proving extremely profitable and resulting in market forecast of earnings being too low. The outlook for this year in the U.S. continues to look good, indicating even better results for these three companies in 1978.

The U.S. turnaround more than compensated for adverse results in some other areas of operation. Holland is proving a most unprofitable territory in which to operate, and continental Europe as a whole is unexciting. Results in the U.K. from the three companies were patchy, with motor business turning sour in the second half of the year. Meanwhile CU's share price continues to shine in a sector that has generally marked time with the all-share index this year.

Lugubrious

NEW YORK

March 3
JOHN WYLES

SNOW IS FALLING again in New York today, clouding both the city's skyline and the nation's economic prospects. The economic statistics published in Washington this week have not been good and have confirmed the lugubrious view of the world down on the New York Stock Exchange.

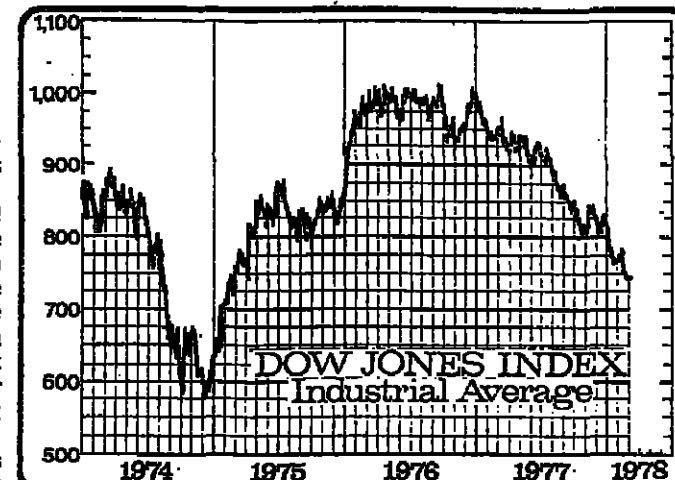
The Government's index of leading economic indicators which is regarded as the most potent harbinger of future economic activity plummeted 1.9 per cent in January. This was the steepest plunge in three years and was not unexpected in view of the severe January storms which have so severely disrupted the nation. The February statistics will almost certainly be similarly affected with the result that it will be virtually impossible to discern whether the underlying health of the economy is sufficient to produce the 4.5 to 5 per cent

real growth expected by the Carter administration for this year.

The coal miners strike will also distort the figures for the first quarter but however much the miners and the weather have dragged the economy down, the Administration expects a sufficiently vigorous bounce back to justify its expectations for the year. From the investment point of view the irony is that if the economic indicators could have been taken at their face value they might have provided the first stimulus needed to stir the stock market out of its lethargy.

However optimistic some analysts may be that the technical basis for a powerful rally may just be moving into view, there is plenty of evidence to suggest that stocks are unlikely to move upwards until the market's pessimistic view of the future of the economy is proved justified.

In other words the market whose predictive powers the wags say have pointed to nine of the last five recessions needs to be proved right before money starts to flow into equities. A few other things also need to



happen, of course, including stabilising the Dollar abroad and curbing inflation at home (in January the seasonally adjusted annual rate of inflation was 8.4 per cent.). Rising prices and the falling Dollar are both regarded as potentially powerful stimulants to short term interest rates.

There is little doubt that the institutions money which so many analysts believe ought to be purchasing equities is at the moment sitting on the sidelines in various forms of cash equivalents waiting for an interest rate peak. Despite the fact that price earnings multiples have not looked better for

	Close	Change
Monday	748.34	-7.99
Tuesday	742.12	-6.73
Wednesday	743.32	+1.21
Thursday	744.45	+1.12
Friday	747.31	+0.26

To the end of the rainbow

THERE WAS a note of defiance, a touch of desperation even, in the annual statement of Mr. Edwin Carter and Mr. Charles Baird, the chairman and president of Inco, the Canadian group which is the world's largest producer of nickel.

"We remain convinced that nickel is not going out of style," they said. They could scarcely say anything else if they were to mollify nearly 80,000 shareholders, especially as they are sitting on top of a stockpile of 841m. lbs of nickel worth some \$682m. (\$252m.) at current prices.

Inco's stringent retrenchments to preserve its financial position are now part of history. Allied to a near halving of capital expenditure to \$230m. (£113.4m.) this year as their Indonesian venture is completed, they should allow the group to end 1978 in better shape than it ended 1977.

But the heady expansionist days of the early 1970s look far away and as difficult to reach as the end of the rainbow. Certainly a dramatic improvement in the market position is ruled out. "We believe there will be some increase in the demand for nickel in 1978, but it continues to be extremely difficult to foresee market developments," stated Mr. Carter and Mr. Baird.

The group is receiving an average of \$2 a pound for nickel at the moment, which is 17 cents less than the average for 1977 and is roughly at the level for 1975. Even this price is at a substantial premium over the free market price of \$1.84.

Inco's problems are the problems of the international industry writ large. The cutbacks in Canada have been matched by difficulties in Australia, which have shown up in the latest figures from Western Mining Corporation and Metals Exploration.

In the 28 weeks to January, Western Mining's nickel sales were 21 per cent down on the same period of 1976-77 and the prices received were lower as well. The group is fortunate in its investments in gold and aluminium, revenue from which will come through more strongly in the second half.

But for the first half there was a sharp drop in net profits to A\$5.8m. (\$3.4m.) from A\$8.5m. in the comparable

period of the year before. For shareholders the result has been a halving of the interim dividend to 1.5 cents (0.88p). A total of 6 cents was paid for 1976-77.

Metals Exploration is a partner with Freeport Minerals of the U.S. at the Greenvale laterite nickel venture in Queensland. Last year it deconsolidated its operating subsidiary at the project to avoid disturbing the parent's accounts. It was just as well. The subsidiary lost A\$6.92m.

MINING

PAUL CHEESERIGHT

(£4.05m.) in the six months to December, against A\$7.06m. in the first half of 1976-77. The parent managed a net profit of A\$233,000 over the same period after having a loss of A\$3,000 in the six months to December 1976. But there are no dividends.

With its technical problems and heavy debt, which was restructured last year, Greenvale's position is bleak although it is now selling enough nickel and cobalt to cover operating costs and minimum interest payments.

Freeport is doubtful whether it will ever make enough money from it to cover its investment. "It is not possible to determine whether in the longer term Freeport will be able to recover all its costs," a spokesman said this week. Of course it all depends on what is meant by the longer term.

The general impression in the industry is that the nickel market is likely to remain sluggish at least until 1980. After that projections become extremely tentative, but Amex of the U.S., a relative newcomer to the industry, has sufficient faith to sign a contract for a joint venture developing a deposit in northern New Caledonia.

The project could cost more than \$500m. (\$258.7m.). It will be run by Cofremin, which is presently 90 per cent. owned by Bureau de Recherches Géologiques et Minières, a French Government agency.

For the venture, this 90 per cent. stake will be held by a new company in which Amex will have 49 per cent. and BRGM 5 per cent. This suggests that there will be a search for another investor of the same optimism Amex is showing.

Nickel's twin in depression is copper. The lower earnings from Lornex, the Canadian producer, announced last month, have now been reflected in figures from Rio Algom whose stake is 62.7 per cent.

Rio Algom is a Canadian unit of Rio Tinto-Zinc of London and best known as a uranium producer. Last year its net earnings were C\$42.8m. (£19.9m.), a significant rise from its 1976 income of C\$31.6m. The earnings would have been higher but for Lornex, because revenue increased from uranium after the re-negotiation of contract prices and even steel operations produced more revenue.

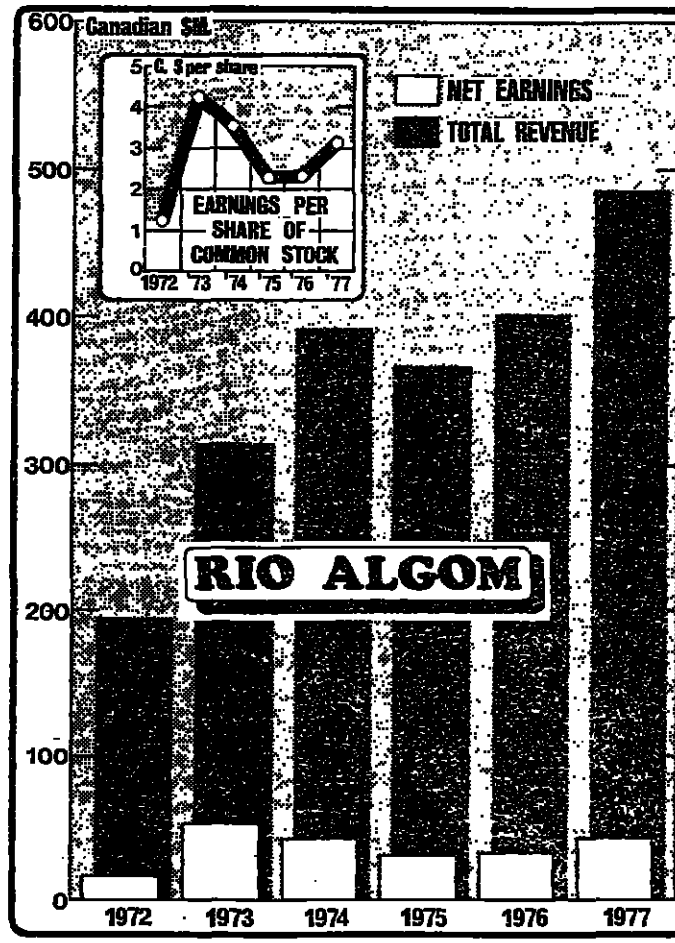
Uranium production is being increased at Rio Algom's Elliot

Lake properties to meet contractual commitments, but its interest in nuclear fuels stretches to Namibia (South West Africa) because of a 10 per cent. stake in Rossing Uranium, where work continues on building up towards full capacity.

In the markets

The bullion price has remained above \$180 an ounce, closing yesterday at \$183.875, helped by the fluctuations of the dollar and the latest International Monetary Fund auction where the price obtained was \$181.95. But gold shares have been relatively subdued, although the undertone has been firm.

Moves towards an internal settlement in Rhodesia have not provoked much interest in Rhodesians. Tins have been inactive, apart from Saint Piran, while Australians have been quiet.



MARKET HIGHLIGHTS OF THE WEEK

	Price Ytd	Change on Week	1977/8 High	1977/8 Low	
Ind. Ord. Index	436.2	-8.6	549.2	357.6	Contd. fears about o'stes earnings
Icebeam	583	-30	693	372	General trend
I.P.	724	-30	964	720	Bearish view of Soho associate
Jury and Masco	93	+12	98	44	Bid from Scapa Group
Jenports Brewery	700	+11	102	40	Revived bid speculation
M.I.	144	-21	254	141	Poor int. figs & bearish forecast
isons	360	+10	397	280	Ahead of Monday's results
ICI	331	-8	446	325	General trend
nt. Pacific Securities	136	+9	145	97	Unification plans
anica Sugar	18	+8	25	9	Compensation hopes
enning Motor	65	-5	84	49	Profits warning
roest Mill	20	+4	21	5	Speculative demand in thin market
illey (F.I.C.)	61	-16	89	34	Persistent small selling
ills and Allen Int.	155	+10	158	25	Excellent first-half profits
rop. Inv. and Finance	102	+15	105	40	Castlemore Props. projected bid
regional Props.	85	+10	93	30	Friends Provident buys stake
edgwick Forbes	345	+25	394	225	Excellent annual figures
hompson Organisation	157	-33	255	122	North Sea benefits downgraded
urser and Newall	181	-15	252	130	In front of and after results
antona	109	-9	132	77	Profits standstill

U.K. INDICES

	Average week to	March 3	Feb. 24	Feb. 17
FINANCIAL TIMES				
Govt. Secs.	74.41	74.85	74.61	
Fixed Interest	77.42	77.73	77.57	
Ind. Ord.	439.7	450.4	459.4	
Gold Mines	161.2	158.7	155.8	
Dealings mtd.	4,797	4,919	5,674	
FT ACTUARIES				
Capital Gds.	190.50	194.33	200.81	
Consumer (Durable)	175.22	180.23	184.37	
Cons. (Non-Durable)	180.75	185.11	188.67	
Ind. Group	187.29	192.35	196.73	
500-Share	204.97	212.51	217.00	
Financial Gds.	155.30	157.89	160.91	
All-Share	192.30	197.05	200.99	
Red. Debs.	60.73	61.12	61.40	

PARIS

DAVID CURRY

THE MOST active issue on the Paris Bourse over the past few months has been the ticket distribution in the underground or park. Above ground, despite furries around a small number of shares, bonds and old market, activity has been noticeably slack. The main reason for this is the general election due in eight days' time, or, to get French priorities right, one day after the crucial France-Wales Rugby match at Cardiff Arms Park which will decide whether France is to repeat the grand slam.

But the election is not the only reason, and it is as well to be clear that it will take more than a government victory in a fortnight's time, to breathe new life into the Bourse, even though that would certainly help.

The first problem is that, even if the government wins, a period of severe tension on the industrial relations front is expected. It is sometimes said that French elections take place in three rounds: the first which is a referendum, the second, which is the winner-takes-all run off, and the third in which the trades unions decide whether they like the result.

A conservative victory following upon an almost certain left-wing popular majority in the common last year, for example, Fra.51bn was raised on the fixed interest market and less than Fra.10bn in shares. As for transactions, in 1977 (which got off to a bad start with the landslide victories for the Left at the March local elections) the global amount was 12.5 per cent. down at Fra.48.16bn, while shares transactions were 18.2 per cent. lower on top of their already gloomy decline of 14.5 per cent. the previous year. Again, last year share dealings represented barely more than 45 per cent. of total transactions. What irritates the Bourse is that the tax structure favours bonds over shares.

The Government's own financial needs lead it to attach useful tax incentives to bond-holding, while the bene-nolre of the Bourse in some sense the possibility for the holders of substantial parcels of fixed interest securities to separate this income completely from their normal revenue and pay a fixed-rate 25 per cent. tax on it, after deducting the first tax-free Fra.3,000 of income.

Shares earn a tax bonus of 50 per cent., and the Bourse has been knocking at the Finance Ministry's door for years seeking to match the German 100 per cent. bonus. But while the reception is invariably favourable the positive results are nil, as they will continue to be while wage con-

trol forms part of economic policy and general austerity is the order of the day.

A further factor in the Bourse's eyes, is that a considerable part of industrial investment is financed by specialised lending institutions in the public sector, which themselves raise money on the bond market under State guarantee. The Credit National falls into this category while a number of companies in particular sectors, notably steel, have their own joint money-raising arm operating on the fixed interest market. In other words, they act as intermediaries which make it unnecessary for concerns to approach the stock exchange directly for funds.

This is a gloomy recital, so it is only fair to add whatever silver lining can be detected. The first is the fact that since the war, during France's remarkable economic growth, the property market has been a considerable consumer of savings. Now, with France faced to share the average growth rate of the industrial world, and her deficit in the housing field to some extent made up, there is some hope that the Bourse can attract money looking for long-term placement.

The second is that companies are now so over-indebted because of the traditional preference for raising money through debt that their capital

structure is severely unbalanced and their own resources stand in need of replenishment. This gives the market hope that the Bourse may assume more importance as a provider of risk capital.

But what about that General Election? The Bourse CAC index reached its low point on May 10 last year at 50.4. The first hope dawned with September's break-up of the Union of the Left, compromising the inevitability of a left wing election victory.

By year's end the index was at 59.9 and it has since moved erratically within small margins to begin March at 58.4. In February, with the attack on the franc contained, transactions were 19 per cent. up on January and more than 50 per cent. higher than in February 1977.

Some of the recovery is due to improving prices for "basic" shares like St-Gobain, Radar, and Guyenne et Gascogne. The superstars have been the electronics, engineering and, above all, missile manufacturer, Matra whose strong profits and order books (foreign customers getting in before the left starts being too inquisitive) moved the price from Frs.500 to Frs.1,400



Marchais and Mitterrand: stock questions.

before it settled back to Frs.1,200.

Some of the "nationalisation" offers have also found takers because of the attractive yields offered by rock-bottom prices. Paribas, the financial group, was yielding 13.5 per cent. at one point enough to tempt institutional investors to take a gamble on the election result, or at worst, face a left wing Government in the virtuous position of having bought the liveliest part of the Stock Exchange.

The fixed interest primary markets have barely stayed alive over the past few weeks. Investors are keeping their powder dry and even State-backed issues don't tempt. Charbonnages de France's Frs.600m. (yield 11.17 per cent.) proved singularly non-combustible; Credit National's Frs.800m. (yield 11.25 per cent.) hung around inspiring neither interest nor charity; while over half of Credit Hotelier's Frs.850m. offering (11.96 per cent.) stayed in the hands of the banks.

Investors know that whoever wins the election the fact will have to come to the market. The present Government will need a good Frs.10bn. and the Socialist programme requires a loan of

Frs.25bn.—both almost certainly indexed. Where small investors, in particular, have shown their paces have been the traditional flight into gold.

The belief in gold transcends social economic gloom, generation and heredity. The favourite is 'the Frs.20 Napoleon gold coin containing precisely 5.8 grammes of pure metal. As handy as a shilling piece, it is traded quickly, quietly and tax-free. At the peak of January's gold rush it reached Frs.300 (it is now higher) which gave it a premium of 80 per cent. over its gold contents. The half-Napoleon scored better—at Frs.225 it was selling at a premium of 170 per cent. over its gold contents.

The 1kg. gold ingot, influenced by higher international gold prices and by currency disturbance, moved from a 12-months' low of Frs.21,350 to tickle Frs.30,000. Next to gold itself, gold-linked Gilts have been in demand. The 4 1/2 per cent. 1973 linked to the Napoleon moved from Frs.810.90 to Frs.801 and is now around Frs.767. The 7 per cent. 1973 linked to the ingot, has ranged between Frs.2,700 and Frs.3,049 and now stands at Frs.2,810. Their close cousin, the Barre, 8.8 per cent. 1977, linked to the European unit of account, stands at Frs.112.50 which is close to its high of Frs.115.

FINANCE AND THE FAMILY

INSURANCE

A licence and a lease

BY OUR LEGAL STAFF

I would like to let a small house to an elderly lady, but would want to avoid the transmission of the right to a tenancy to a relative who might come to live there. I have heard mention of a "licence to use." Would this be the answer?

You cannot give effect to an arrangement such as you propose without a serious risk that the Rent Act 1977 will apply, as the courts look at the substance of the transaction to determine whether it is a licence or a lease, and there is thus no certainty that a "licence" will not turn out to be a lease. The only effective ouster of the Rent Act in this case would be a letting at less than two-thirds of the rateable value of the premises (as at March 1965).

Registered rent and sharing

I refer to your reply under Registered rent over payments (December 24, 1977) in which you state that those who have entered into sharing arrangements outside the Rent Acts "cannot be required to pay more than the registered rent." It seems to me that those who have entered into sharing arrangements do not hold protected or statutory tenancies. S.20 of the 1968 Act does not limit the amount payable under such arrangements, would you say which Section of which Act does?

Also instead of saying that the registered rent attaches to the flat, would it not be more correct to say that the registered rents apply in any protected tenancy of the flat by virtue of S.20 of the 1968 Rent Act?

We agree that our reference to rent limits in the case of shared accommodation was misleading, as shared accommodation is either outside the Rent Act or within the protection, but only as to security of tenure (Sections 101 and 102 of the Rent Act 1968, now Sections 21 and 22 of the Rent Act 1977). However we remain of the view that a registered rent attaches to the property and is thus effective in *rem*. Section 20 of the 1968 Act (Section 44 of the 1977

Act) provides that the registered rent is the rent limit; but Part IV of the 1968 Act (Sections 66-72 of the 1977 Act) shows that the registered rent is the rent "for the dwellinghouse," not for the tenancy or contract. Thus, as with the old register of furnished rents the physical entity of the demised premises becomes subject to the registered rent.

Sealed policies

It has been my understanding that whole life or endowment policies, or investment bonds issued under seal by U.K. insurance companies are not considered to be U.K. assets, and so not liable to tax for even non-U.K. residents. Could you tell me the Inland Revenue and Probate Registry implications of this?

It is correct that there is a rule that a specialty debt is situated where the specialty (deed) is located when the debt is due. This is a curious survival from ecclesiastical law and may not be viewed with favour in modern circumstances, and there are dicta

Problems with a pension

I am 32 and have had several positions with various companies, as to which I have been unable to transfer pension rights, with the result that I shall now qualify at age 65 for only 13/20ths of the new Government scheme from next April. I should like to take out a private pension which will provide a lump sum to my wife should I not reach 65, a pension to begin earlier than 65 if circumstances demand it, the amount payable to be inflation proofed, and the pension to be a fixed sum, rather than dependent on the abilities of the insurance companies. What, please, do you suggest?

Your inquiry raises a question which affects many people who have taken up their present jobs in their late 40s or early

50s. In your case your pension will be based on 13 years' service and not 40 years. From your letter we understand that you are not in a company pension plan but merely look forward to what you will receive from the Castle Scheme which starts in April this year plus the state flat rate scheme. If you are in a company plan, then the best deal you could possibly do would be to go to your employer and either arrange to pay voluntary contributions or agree a salary sacrifice deal whereby the sum that you sacrifice from salary is paid into a special pension arrangement on your behalf. Using this route you get 100 per cent tax deductibility on what in effect are your contributions and the money accumulated on your behalf earns investment income tax free.

If you are not currently in a company plan (but only going to be covered by the Castle Scheme) then this solution is not open to you. Your only practical route is to take out a self-employed retirement annuity. You cannot take out a self-employed retirement annuity if you are covered by a company plan even if the company plan is inadequate, unless you have freelance earnings in addition to your job and your salary in your job is fairly modest.

You can get a fixed pension although we would expect a with profit formula over a period of 13 years to give you a better buy. No insurance company will guarantee inflation proof. The only way you can get a 100 per cent guaranteed inflation proof pension is by working for the state, whether as a civil servant, local government employee, NHS employee etc.

be construed in the light of all its terms and of the relief claimed in the action. If the order expressly provides for mesne profits up to a particular date and does not adjourn for further consideration any part of the claim, it is unlikely that anything can be read into the Order to enable further mesne profits to be obtained.

The time to wed

My future wife is in salaried employment and proposes to continue after we are married. She has no investment income and earns about £4,500 a year. As I understand it, it would not be advantageous tax-wise to marry before the end of this financial year. Thereafter, what would be the most beneficial month to produce the greatest tax saving?

You seem to have missed the report of the Chancellor's spring Budget speech in 1978 and the comments in the Financial Times, for your inquiry about the best month in which to get married in 1978-79 and your assumption that it would be financially advantageous to postpone your wedding beyond April 5, in any event, appear to be

based on the law as it was up to 1975-76. Under sections 36 and 52 of the Finance Act 1976, the taxation of a man and woman for the tax year in which they marry is basically the same as if they were still single, apart from the fact that the man's personal allowance is raised (according to the PAYE month in which the wedding takes place). The ten subsections of section 32 are not easily paraphrased, within the scope of a brief answer, but none of the various modifications to the basic principle of treating them as still single appears to be of particular significance in your case.

You have not told us much about your own finances, but prima facie there is no reason to postpone your wedding to 1978-79, and it seems unlikely that it will pay to elect for separate taxation of your wife's earnings (for the tax year following the year in which you marry, et seq.).

A measure of damage

In October 1976 I bought a cottage that in respect of agents' particulars and solicitors' inquiries before contracts had the benefit of mains water. I recently approached the Water Board because of pressure problems and understand from them that the pipe from the nearest farm to the cottage is, as far as they are concerned, a private supply. My solicitor does not consider I have a very strong case against anyone and suggests I should have the matter legalised and obtain a written agreement from the freeholders for passage of the pipe? Do you agree?

You would certainly be wise to obtain the appropriate consent or grant of an easement from the owner of the land through which the water passes. However, that does not preclude you from making a claim on your vendor for misrepresentation, if the documents to which you refer will, on scrutiny, support such a claim. Indeed the cost of obtaining such an easement is a useful measure of your damage.

The price of law reform

BY JOHN PHILIP

WHEN YOU take your car in for service or repair, even now you may well be asked to sign some kind of authorisation form before the work is done which somewhere contains a clause absolving the motor trader from loss or damage. You may or may not see a notice in the office of entrance warning that all cars are accepted serviced and repaired only at customers' risk. The account you get when the work is done may contain a disclaimer of defective workmanship—that the repairer is not responsible for failure to do what you have paid him to do. In the month since the Unfair Contract Terms Act came into operation apparently little has happened either in the motor repair field or elsewhere to suggest to anyone that the Act has effected a fundamental change in the law.

The new liabilities are civil liabilities. Behind most of the realisers and insurers, companies and Lloyd's, who provide protection against legal liability claims, in just the same way as they provide each one of us in our personal capacity as householders, motorists and boat owners with such legal liability protection. So the changes brought about by the Act are inevitably going to bring more of us into contact with insurance claims departments.

The Unfair Contract Terms Act makes two basic innovations, as the law of negligence and as regards breach of contract.

It is no longer open to anyone to disclaim liability for death or bodily injury, though disclaimers for loss of or damage to property may still be valid and operative, provided they stand up in the light of the reasonableness test imposed by the Act and ultimately, in the event of dispute, to be determined in the Courts.

Thus, for example, if you go into a lift in a multi-storey garage, a disclaimer asserting that the proprietors are not liable for any injury or damage to persons or property therein, however caused, cannot prevent your claiming for injury sustained while using that lift, but might still perhaps be an effective bar to your claiming for damage to the goods you are carrying with you.

But I must emphasise that the Act goes no further than the abolition of the disclaimer as a barrier to personal injury claims—it does not give you, the injured person, the absolute right to compensation from the alleged wrongdoer. It is still necessary for you to show by the general law of negligence and the particular rules applicable to your claim that the alleged wrongdoer is in fact legally liable to pay. And by the same reasoning, if your claim for damage to property is a decision that a disclaimer is unreasonable only removes one hurdle from your path—you still have to prove legal fault to get your compensation.

If you are unfortunate enough to have to make a claim, and remember also that insurers standing behind all these potential or alleged wrongdoers are not only fully entitled, but since they are custodians of Policyholders' funds, obliged to avail themselves of all appropriate legal defences to liability claims made against their policyholders.

Sometimes later this month and probably before Easter, lawyers and insurers expect publication of a report on civil liability and compensation for personal injury which has been prepared by a royal commission under the chairmanship of Lord Pearson. There is no doubt that a number of different ways of reforming our fault-liability-compensation system will be dis-

cussed in that report, and it is reasonable to assume that the report will be recommended a number of changes, which in the coming months will be widely and times hotly debated before a parliamentary action is taken.

One aspect that is absolutely fundamental at all stages of the coming argument is the cost change to the community, to you and I. However compelling the argument on moral or social grounds, the question we must all ask at each stage is clearly and loudly, is can we, premium paying policyholders as taxpayers, as the purchasers of goods and services, can afford the cost of all or any of the proposed changes?

Liability compensation does not derive from self-generated funds: it comes, in however small amount, out of your pocket and mine. To come back to Unfair Contract Terms Act, the cost of knocking down the claimer barriers falls, of course, in the first place largely on the shoulders of insurers writing commercial liability business. Thereafter it is reflected in the cost of premium that the commercial policyholders are obliged to pay for their cover. But, the more significant a factor those premium increases can be of the operating costs of commercial enterprises, the more certain it is that the costs have to be passed on to you and I, the ultimate consumers in the charges made for goods and services we purchase.

SALEROOM

ANTONY THORNCROFT

PRICES AT auction for modern British artists tend to reflect the health of the British economy. Yesterday collectors seemed to be optimistic and Christie's held a successful sale, totalling £299,265, with many artists setting new price records.

Agnew paid £13,000 for a portrait by Harold Gilman, just short of a record, while the £17,000 from Basket and Day for Robert Bevan's "Hay Carts" was his highest ever auction price. Perhaps the biggest surprise was the £16,000 paid for "The Little Flowers of the

Field" by Sir George Claus. The previous best for a Claus was £3,800.

Sir Stanley Spencer's "I Menade of Women" went £13,000 and J. Singer Sargent's "Study for portrait of Graham Robertson" was bought by Leggett Brothers for £10,000. Another record was the £9,000 paid for "Red Wick Mall" by Lucien Pissar. Two other records were £6,500 for a work by Her Lamb, and the £8,000 for "F. vesting" by John Nash.

A miniature portrait of Marie-Antoinette, bought anonymously for £2, at Sotheby's. The desk, 10 ins. tall, and 16 ins. wide, stamped with the mark of Ca Meuble de la Reine, and da from about 1785.

"The basic reason why the Discount Houses are still in existence is that the U.K. authorities prefer things the way they are. They serve as a useful buffer between the Bank of England and the clearing banks," writes COLIN MILLHAM.

Reality hits the discount market

DISCOUNT HOUSES, judging from the recently published reports of some of them, enjoyed the most profitable year in their long history in 1977. This was thanks to the renewal of financial confidence, which led to a great resurgence of business in their traditional markets.

They remain something of a mystery outside the City of London, however. Those who realise that the discount houses form an integral part of the banking system—and are essential for the control of the money supply—may still be puzzled by their exact purpose. An air of mystique has been deliberately fostered by the houses over the years.

Discount houses are in the business of borrowing other people's surplus money and investing it in Government funds and other low-risk securities. They form a critical part of the money market in London.

but that alone is not justification for their existence. There is no reason why the Bank of England and the commercial banks could not work together to carry out this important function, as in other financial centres around the world.

In fact if the houses had not been operating as brokers of trade bills from the early part of the 19th century, before the present banking system fully evolved, it is doubtful whether they would have come into being. The houses have grown up with the modern banking system, and have evolved as the system has developed.

The basic reason why the houses are still in existence is that the U.K. authorities prefer things the way they are. They serve as a useful buffer between the Bank of England and the clearing banks.

Bank of England Minimum Lending Rate is the guide to all other domestic interest rates.

The price paid by industry for loans, and the cost of a mortgage to buy a house with sooner or later be influenced by the level of Minimum Lending Rate (MLR). The Bank of England offers Treasury bills for sale each week to raise part of the Government's revenue, and the average price paid for these bills is normally used to calculate MLR by a fixed formula.

The houses underwrite the Treasury bill tender each week. No matter how low the demand may be for Treasury bills the houses have an obligation to buy them all. In other words if £300m. worth of bills are offered the houses must apply for at least that number. As the principal tenderers for bills the houses are the major single group responsible for fixing MLR, but the Bank of England must be satisfied that any change, should it occur, is in line with its own policy at the time.

A developed banking system requires a method of smoothing out daily fluctuations in the supply of money. Providing a ready market for any surplus of funds is another major task of the houses, and they do it with total security. The 11 discount houses are the only organisations to enjoy lender of last resort facilities at the Bank of England. This means that if there is a shortage of money in the system the authorities will help the houses to cover their obligations by buying their investments, such as Treasury bills, or by lending money direct.

Under Bank of England rules governing Competition and Credit Control, banks in London must keep at least 12 per cent. of their deposits in the form of reserve assets. This strengthens the position of the discount houses, since their market could also apply be named the reserve asset market.

Treasury bills, various other bills and Government stocks with less than one year to maturity are reserve assets, which the houses both buy and sell. Their main strength however is that under the 1971 rules on credit control, money lent at call to the discount houses also became a reserve asset. This money, which is repayable on demand, represents about 60 per cent. of the banks' total reserve assets.

Banks are not the only source of trade to the houses.

Large companies and other organisations outside the banking sector are also potential customers. Several houses have tapped this market with considerable success, and would be glad to hear from anyone with large amounts of cash who feels



Ivan Smith, managing director of Alexander's Discount House, chairman of the London Discount Market Association.

that leaving it on deposit at the local bank is not the best way of making the maximum use of resources.

Money invested through the market can be instantly turned back into cash, and this instant liquidity can be a major attraction to commercial customers. Discount houses will pay interest on money lent to them on a day to day basis or for various fixed periods. Alternatively they will sell customers bills, certificates of deposit, and gilt-edged stock.

These holdings form the houses' book, and the size and length of the book depends on the amount of confidence the houses have in future economic events. When it is high they will increase the length of their books by buying gilt-edged stock with maturity dates of up to five years.

In times of financial crisis they will get out of bills and concentrate their holdings in bills. This is what happened in July 1973, when some houses were left virtually bankrupt by a sharp rise in interest rates. It is one thing to hold bills which mature in three months, but quite another to be heavily involved in investments which will not mature for several years, and can only be sold back to the Government broker at a massive capital loss if interest rates go through the roof.

The rise in MLR to the record level of 15 per cent. in October 1976 did not have the same effect, however. In fact it was the root cause of the houses' recent good fortune. The houses were not holding gilts for obvious reasons, but were encouraged to reinvest because within about a month confidence began to return on the prospect of a loan for Britain from the International Monetary Fund.

Over the following 12 months MLR fell from 15 to 5 per cent. allowing gilt-edged stock and bills to be bought and sold at a large profit.

Confidence was helped by the reduction in the Public Sector Borrowing Requirement, and the authorities' commitment to firm monetary targets. This was reinforced by the fact that sterling was allowed to rise to stem the flow of speculative capital into the country rather than allow the money supply to get out of control.

However, the latest money supply figures have given rise to fresh concern, leading to nervous conditions in the money market, and a rise in interest rates.

Capital profits have disappeared and discount houses have become much more concerned at the margin between the average cost of money and the yield on investments. This is known as the running profit, and it had been under some strain in the early part of the year, but has improved recently, partly because of action taken by the houses to improve margins by pushing up the yield on bills, and partly because nervousness in the market has concentrated lending in the very short periods where the houses operate.

About a month ago it was suggested that the Bank of England was looking at an alternative method of calculating MLR, but present feeling in the market is that this idea has been shelved.

Fears about "corset" restrictions to limit bank lending have actually helped the discount houses, as banks have tried to build up their monetary base, to give window dressing to their monthly figures.

They have sought to increase eligible liabilities, while at the same time preserving ratios on reserve assets. This has been done by lending massive amounts to the discount houses on the third Wednesday of every month when the banks calculate their monthly figures. It has led to large differentials between interest rates in the discount market and interbank market. This is a crazy situation and only exaggerates the problem, possibly making reimposition of the "corset" more likely.

The profit figures published by discount houses so far this

year have been at record levels, but their performance has varied considerably.

In favourable conditions a relatively small staff at a discount house can produce quite exceptional profits, as Alexander's Discount did last year. At the same time a much larger staff involved in money broking cannot hope to achieve such figures, but because the nature of their business is much less volatile, can act as a useful cushion against the bad years.

Alexander's, which is purely a discount house and has never diversified, produced twice as much profit last year as Gillett Brothers, which has a large broking subsidiary and a fund management section. Gillett has a much smaller discount market operation than Alexander's, but produced nearly

twice as much profit in 1976, thanks to contributions from a broking.

Other houses fall between these two philosophies and it will be interesting to see how they all fare, although it is hard to imagine any house exceeding the Union Discount's disclosed profit of £8.1m.

Gerrard and National is Union's nearest rival, but comparisons are made difficult by different accounting year ends, and one very good month in the gilt-edged market can turn up in 1976-77 for one house and 1977-78 for another.

Over a period of years it left holding the baby. There is no way that they make as much profit as last year, but their new attitude toward themselves, and the role of this play in the financial world, has got off to a shaky start.

—and there is every prospect of a rise in interest rates at so time.

In order to survive in volatile markets the houses have been forced to come to terms with the fact that the performance their staff can make or break them.

They are not there to make easy living in a soft market a longer. Volatile conditions have produced some highly skilled operators in the discount market, who are expert at making profits as jobbers, moving quickly in and out of markets and making sure they are left holding the baby.

There is no way that they make as much profit as last year, but their new attitude toward themselves, and the role of this play in the financial world, has got off to a shaky start.

ADVERTISEMENT

BUY NOW—PROFIT LATER

Lawson Securities Limited, the Edinburgh-based unit trust managers, are currently advising existing Lawson Unit-holders to commit further funds now while markets are weak.

Investors are often advised to buy units when markets are booming and over-valued. In contrast, Lawson are advising their 11,000 clients to invest now into weak markets. The F.T. index has fallen 100 points in 5 months; the Dow Jones index has fallen 250 points in 13 months.

Managing Director Freddy Lawson can justify this advice on past experience. Those investors who followed his judgment in late 1974 and invested a total of £1 million near the bottom of the worst bear market on record now have substantial profits on their investments.

The case was stated over 70 years ago by Charles Dow, the founder of the Dow Jones Index:—

"There is always a disposition in people's minds that existing conditions will be permanent. While the market is down and low it is hard to make people believe that this is a prelude to a period of activity and advance. When prices are up and the country is prosperous it is always said that, while preceding booms have not lasted, there are circumstances connected with this one which make it unlike its predecessors and give an assurance of permanency."

Today, the market is down and activity is low but sentiment can change very rapidly and timing is often more important than Stock Selection, which is why Lawson Securities advise investment now while prices are relatively cheap.

Until 17th March, 1978, units in any of the five Lawson Funds are on offer to existing holders at a discount of £10 or 1% (whichever is greater) on deals over £400. Current prices and yields are shown on Page 31.

If you are interested in unit trusts, you would do well to write to Mr. Lawson at Lawson Securities Limited, 63 George Street, Edinburgh EH2 2JG (Tel. 031-226 3911) for further information.

Four Yards Services Ltd.

Money Manager Service

30% Capital gain from short dated government securities

The Money Manager Service is a discretionary investment service. The Service aims to provide a greater after-tax return than simply purchasing a short dated government security and holding it to redemption and to achieve a more realistic after-tax return than any comparable short-term fixed interest investment. These aims are met by investing the fund in the "most attractive" short-dated gilt-edged investment. This stock is selected by the use of computer programs and three principal statistical aids: redemption yields, variations from the yield curve and gross price ratios. The service thus attempts to identify anomalies and improve upon the inherent trend to maturity in short dated Government securities.

The Service is divided into two portfolios, namely CAPITAL and INCOME. In the calendar year 1977, an investment in the Capital Portfolio rose by 30.6 per cent compared to an increase in short-dated government securities of approximately 15 per cent. For example, an investor who had joined our service could be able to purchase an additional 14.9 per cent of our reference stock Treasury 3 per cent 1979 at the end of the year.

The Income Portfolio was launched in October last year and its aim is to provide a yield 1% higher than the F.T. Actuaries High Coupon Short Dated Stocks Index. At this time the yield on the latter is 10.06%. At the same time we seek to take full advantage of the inherent trend to maturity available in short dated stocks.

Post to

Four Yards Services Ltd.,
76 Cross Street,
Manchester M60 2EP
Tel: 061-832 9589.

Name	_____
Address	_____
Day Tel. No.	_____
Evg. Tel. No.	_____
Date	_____
I am interested in your Money Manager Service. kindly send further information	

YOUR SAVINGS AND INVESTMENTS

The cost of flexibility

BY ERIC SHORT

IF YOU looking for a safe, steady, regular savings plan that provides a decent return on your money, with the added attraction of tax relief on your contributions? Then a conventional with-profits endowment assurance may meet your needs. It is a product which has been tried and approved by generations of conservative investors.

But traditional life assurance has two drawbacks. The first is that it is for long-term savings only. You have to save regularly every month for at least 10 years, if you want tax relief on your contributions. Secondly, it is inflexible in that you have to decide at outset when you want your money. If you cash-in before the end of the chosen period, you will be penalised, especially in the early years.

Unit-linked life assurance plans do not suffer from this inflexibility, and their competitors have forced many life companies to market flexible endowment contracts, in order to meet the needs of those investors who are not saving for a specific event, but may want cash at any time.

The flexible contract is quite straightforward in concept. It is either a whole-life policy or an endowment maturing at age 65, providing guaranteed cash-in values from the 10th policy anniversary onwards. The bonus paid at the time of cash-in is based on this guaranteed sum. In effect, the life company is guaranteeing surrender values—something that it will not do on ordinary fixed-term policies.

The flexible endowment has been the answer to the life assurance salesman's prayer. How many investors really know now that they will want money in 25 years time? Having to decide on the investment period at outset handicaps many a sale. The field staff of insurance brokers have long wanted a contract with life assurance guarantees, from which the investor can take his money whenever he likes. As for the 10 year start, that is simply a barrier imposed by the Revenue. Attempts to cash in earlier will incur tax penalties.

Of course, life companies marketing such plans find them to be best sellers. But some life companies refuse to market such plans, despite pressure from their field staff. The actuarial profession is divided over their merits. The guarantees in a traditional life contract require that assets should match liabilities, and given that there is assets growth, that won't happen all the way through a contract. Normally, the assets held match the liabilities at maturity. With a flexible endowment, there should be such matching whenever the guarantee might be enforced, and this is impossible. An inability to match assets and liabilities through most of the life of a contract is the basic reason why surrender

Investing in real assets

UNDER what circumstances do investors put their money into commodities? Is it when business activity is picking up, the price of raw materials is set to rise, and there are profits to be made upon a holding? Or is it when, with currencies and stock markets in disarray, "real" assets seem to offer a prospect of security denied to those who put their faith in their paper counterparts?

To go by the behaviour of gold in the recent past, as the value of the dollar tumbled, the latter arguments have recently been in the ascendant. Stories out of New York suggest that investors there, quite unnerved by the behaviour of their currency and of the Dow Jones average, are looking desperately for investments which command rather more confidence as a store of value. Commodity movements over the longer term, however, suggest that the big price rises come when world economies are really over-heating, as in 1973-74. And the increases then were quite as much a function of panic buying as of precautionary hedging.

At the moment it looks highly unlikely that such a situation will be repeated—unless developed countries like West Germany and Japan respond to

Consumers squeeze CU

IF YOU are a motorist, you are perhaps immune to the fact that you have to pay more each year to insure your car. Or perhaps not. Perhaps you do not passively accept these increases as a natural consequence of rampant inflation. You may have taken active steps to keep the costs down, either by switching from comprehensive cover to third party fire and theft, or going shopping around the insurance companies to find the cheapest rate. Enough motorists are taking some sort of action to cause concern to the motor insurance companies.

This week Commercial Union and General Accident, the largest motor insurers in the U.K., both admitted to experiencing consumer pressure in the motor market, and having to take account of it in fixing rate increases.

These companies, with Royal Insurance (which also reported profit figures this week), all experienced heavier claims in the final quarter of last year. Why? Well, since the petrol companies have been reducing prices in face of severe competition, motorists have been making more use of their cars. When the Arabs put up oil prices in 1974, we left our cars in the garage. Cars in garages are not likely to be involved in accidents. But now the cars are coming out again, and not surprisingly, the number of accidents is rising.

This means higher premiums, but GA admitted this week that in imposing a 9 per cent rise in February, it was well within the limit given by the Department of Trade. The company adjusted its rate to take account of consumer reaction. Insurance companies don't like policyholders moving around, since it

COMPARISON OF PROJECTED BENEFITS ON FIXED TERM AND FLEXIBLE ENDOWMENTS

Company	10 years			15 years			20 years		
	Fixed	Flexible	% Diff.	Fixed	Flexible	% Diff.	Fixed	Flexible	% Diff.
Ends Provident	1,798	1,476	21.8	3,402	3,026	12.8	5,672	5,091	11.4
Unit-linked Life	1,828	1,733	5.5	3,370	3,278	2.8	5,504	5,343	3.0
K. Provident	1,672	1,530	9.3	3,107	2,871	8.0	5,127	4,815	6.5
British Amicable (a)	1,632	1,432	14.0	2,963	2,626	12.8	4,895	4,360	12.3
British Provident (a)	1,624	1,493	9.4	3,007	2,794	8.0	4,960	4,634	7.0
Provident Mutual	1,672	1,400	19.3	3,139	2,530	19.7	5,285	3,860	26.8

(a) Company will not quote estimated terminal bonus even though it pays one.

A life for sale

IF YOU have been paying premiums on your traditional with-profits policy for a number of years, and now want to cash it in, what do you do? You can surrender it to the life company, and accept the surrender value it is prepared to pay you. That is well known. But did you know that you can also sell the policy to a third party, by way of auction? Probably not, yet auctions of life policies have taken place since 1843.

Poster and Cranfield, auctioneers situated in the City of London, hold twice-weekly auctions of life policies, and this week they made the news headlines by offering for sale a with-profits policy for a sum assured of £300,000. It was issued by the old London Assurance Company, now part of Sun Alliance and London Group and it already has bonuses of £185,622. It was sold for £120,000.

Policies sold by auction realise more than the surrender value, and Poster and Cranfield bases its fees on the excess achieved. Therefore it would pay investors wishing to cash-in

Working wives and the Revenue

THE TAXMAN, for his sins, the treatment of investment income. Anyone who wants to live must live with a series of legislative anachronisms: but none, surely, can be more anachronistic than the treatment he must mete out to the married woman.

On the Inland Revenue's own statistics, published a couple of weeks ago, there are now more of such women working than not; yet it is an assumption built deep into our tax legislation that a married woman's income is that of her husband for tax purposes.

It's true that a married woman can opt to have her income taxed separately from that of her husband—but only if her husband agrees; and even then that option does not apply to

Pacific to unitise

INVESTMENT trust shareholders in the U.K. have had no occasion, over the past few years, to believe that the world was against them. It appears, however, that they have not been the only investors to feel the draft. Now the Pacific Securities, the investment trust run out of Hong Kong under the management of Pacific Securities, are recommending to shareholders proposals under which the company would effectively be unitised. The reasons are exactly those which have prompted a reaction from both the Department for National Savings and a couple of other readers. Quite right too: we were at fault. What we failed to take into account is the fact that the amount by which the value of the certificate increases, to reflect changes in the Retail Price Index, is free of tax: so is the 4 per cent bonus paid when the certificate reaches maturity after five years. So even if the rate of inflation dropped comfortably into single figures and stayed there, the likelihood is that any taxpayer who would do better to stay with the

Grannybond and taxman's take

LAST WEEK's brief comment on the index-linked National Savings Certificates—the so-called "granny bonds"—produced a prompt reaction from both the Department for National Savings and a couple of other readers. Quite right too: we were at fault. What we failed to take into account is the fact that the amount by which the value of the certificate increases, to reflect changes in the Retail Price Index, is free of tax: so is the 4 per cent bonus paid when the certificate reaches maturity after five years. So even if the rate of inflation dropped comfortably into single figures and stayed there, the likelihood is that any taxpayer who would do better to stay with the

AN OFFER FROM M&G

SMALLER COMPANIES

...and the outstanding management group was (wait for it) M&G, which had two in the top 10 and no less than five in the top 25 trusts last year.

SUNDAY TELEGRAPH 1.7.78

TWO WAYS TO INVEST

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ. TELEPHONE: 01-626 4588. This section to be completed by all applicants.

NAME: _____

SURNAME: _____

ADDRESS: _____

POST CODE: _____

DATE: _____

PLEASE INVEST £500 in ACCUMULATION/INCOME units (delete as applicable or Accumulation units will be issued) of the M&G Special Trust Fund at the price ruling on receipt of this application. I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through a bank or stockbroker.)

SIGNATURE: _____ DATE: _____

OR £10 Complete this section if you wish to make a Regular Monthly Saving (minimum £10 a month).

I wish to save £_____ each month in the M&G Special Trust Fund.

I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited. I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

OCCUPATION: _____ DATE OF BIRTH: _____

NAME AND ADDRESS OF USUAL DOCTOR (for no reference may be made): _____

Are you an existing M&G Plan holder? Yes/No

If you cannot sign Part I of the Declaration before, delete it and sign Part II. Declaration PART II (I declare that, to the best of my belief, I am in good health and free from disease, that I have not had any serious illness or major operation, that I do not engage in any hazardous sports or pursuits, that I do not engage in aviation, and that I am not a passenger on recognised routes, and that I do not propose to do any of these things in the future.)

PART II (I agree that any declaration made by me in connection with this proposal shall be the basis of the contract between me and M&G Trust (Assurance) Ltd, and that I will accept their customary form of policy. I agree to provide any further information the company may require. (A specimen of the policy form is available on request.)

SIGNATURE: _____ DATE: _____

Registered in England No. 1048339. Reg. Office at above.

THE M&G GROUP

LAWSON RAW MATERIALS and general unit trust.

BEST PERFORMING COMMODITY UNIT TRUST IN 1977

"Lawson has nothing to blush for in the performance of this fund... a rise of more than twice that shown by the F.T. Index in the same period" - Financial Times 4/2/78.

When the fund was launched in March 1976 the aim was long term capital growth from a wide range of commodity shares, and an above average income. When compared with the growth of the F.T. Index of 17% over the same period the fund has obviously been a sound investment. (Income units up 47% accumulation units up 69%). Few other forms of investment will have performed as well when linked with the easy accessibility to your capital, and an above average income paid twice yearly.

The managers confidently expect further substantial growth and income in the future. However, investors are reminded that the price of units and the income from them can go down as well as up, and any investment would be best regarded as medium to long term. The fund invests in companies involved with basic raw materials such as Gold, Diamonds, Tin, Tea, Rubber, Sugar and Copper. Lawson Securities advise that at least part of your capital be invested in the world's real wealth as a hedge against the continuous fall in the value of money.

47% GROWTH in 24 months. Yield 7.1% p.a.

FIXED PRICE OFFER CLOSING WEDNESDAY MARCH 15th, 1978. (OR AT THE DAILY PRICE IF LOWER)

The Managers reserve the right to close the offer if the true price rises by more than 25%.

Income Units 36.9p. Accumulation Units 41.3p.

A wider range of units is available by the Department of Trade & Industry (initial charge is included in the price). An annual fee of 1% (plus VAT) is deducted from gross income. Commission is 10%. Trustee: Clydesdale Bank Ltd. (Member of Midland Bank Group). Administrator: Lawson Securities Ltd. (Incorporated in England). Registered Office: 10, Abchurch Lane, London EC4N 3DF. Tel: 01-353 7371. Registered in Edinburgh 1048339. Order an offer, unit may be bought or sold daily—otherwise weekly on Mondays. Settlement for units sold follows within a few days. Units purchased by 31/12/78 qualify for next half-yearly distribution.

APPLICATION FORM

To: Lawson Securities Ltd, FREEPOST, Edinburgh EH2 0DB (no stamp required) or Tel: 031-236 3911 (5 lines/24-hour Answerphone Service).

I enclose a remittance payable to Lawson Securities Limited to be invested in units of Lawson Raw Materials and General Fund. Not applicable to Eire.

For accumulation units mark "X" For income units mark "O" For share exchange deals please mark "X"

I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through your Bank, Stockbroker or Solicitor in the U.K.)

SIGNATURE: _____ (All applications must be signed and attach full names and addresses)

Name in full: _____ (No Nicknames)

Address: _____

DATE: 1/4/78

IN 12 WEEKS YOU COULD BE DEALING IN STOCKS & SHARES... more profitably than 2 million other investors

Many people make money from stocks and shares. You could be one of them—able to buy or sell stocks & shares and use money more effectively than Britain's other two million investors.

HOW IS THIS POSSIBLE? Simply through a unique 12-week course. The Art of Investment, written by professional investors, stockbrokers and accountants. Step by step they show you how to make money.

NO RISK—It costs you nothing unless you are satisfied.

Even without previous knowledge—even with a capital as low as £100—you can be profitably dealing in stocks and shares in 12 weeks' time.

FREE BROCHURE (No stamp required).

RELINCE SCHOOL OF INVESTMENT (L) FREEPOST London W11 3BR

Don't Forget! SHARES SHOULD BE BOUGHT AND SOLD

Gone are the days when a "sound portfolio" of shares could just be bought and forgotten. Today's investor has to be alert. Buying tomorrow's favourites at today's prices. And, of course, remembering when to sell them. Before the next "1974". That's why the FLEET STREET LETTER, Britain's oldest newsletter, emphasises the importance of knowing when to sell.

The only way to be sure the FLEET STREET LETTER is right for you is to see a copy and judge for yourself. So just complete and return the attached coupon, and we will send you a FREE COPY, without obligation of course. Plus a detailed analysis of F.S.L.'s two latest ideas, companies which most other investors have not yet discovered.

F.S.L. has been recommending share sales for some time now, and expects to recommend further extensive sales later in the year—make sure you are "on board" before then. It could save you a fortune!

To: FLEET STREET LETTER, 80 Fleet Street, London EC4Y 1JH.

Name: _____

Address: _____

Please send me a FREE copy of F.S.L. or phone 01-353 7371. F.T.B.

Mortgage protection

SHOULD you be buying your first house, your main concern is probably to keep your monthly repayments down to a minimum, to conform with your limited means. Therefore you have probably opted for the repayment method, and under these circumstances life companies really have had nothing to offer you except decreasing term assurance to pay off the outstanding mortgage should you die before it is paid off.

Now Sun Alliance and London Assurance has brought out a new contract—the Mortgage Protector—designed to offer much more to the first time homebuyer. It is designed not only for his immediate protection needs, but for his future savings requirements.

The plan is a combination of two contracts—a convertible with-profits whole life contract for 20 per cent of the mortgage, with the balance covered by a level term assurance. After five years, the investor can exercise his option to switch to endowment assurance, thereby converting to a savings plan. This combination keeps premiums low at outset, but they would rise on conversion. With this plan, the amount paid on death rises with the passage of time, while the outstanding mortgage declines. Thus there would be a useful sum paid to the estate on death, in addition to the mortgage being repaid. When you move house and take out a bigger mortgage, you can adjust the plan without providing evidence of health, or losing its tax qualification.

AN OFFER FROM M&G

SMALLER COMPANIES

...and the outstanding management group was (wait for it) M&G, which had two in the top 10 and no less than five in the top 25 trusts last year.

SUNDAY TELEGRAPH 1.7.78

TWO WAYS TO INVEST

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ. TELEPHONE: 01-626 4588. This section to be completed by all applicants.

NAME: _____

SURNAME: _____

ADDRESS: _____

POST CODE: _____

DATE: _____

PLEASE INVEST £500 in ACCUMULATION/INCOME units (delete as applicable or Accumulation units will be issued) of the M&G Special Trust Fund at the price ruling on receipt of this application. I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through a bank or stockbroker.)

SIGNATURE: _____ DATE: _____

OR £10 Complete this section if you wish to make a Regular Monthly Saving (minimum £10 a month).

I wish to save £_____ each month in the M&G Special Trust Fund.

I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited. I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

OCCUPATION: _____ DATE OF BIRTH: _____

NAME AND ADDRESS OF USUAL DOCTOR (for no reference may be made): _____

Are you an existing M&G Plan holder? Yes/No

If you cannot sign Part I of the Declaration before, delete it and sign Part II. Declaration PART II (I declare that, to the best of my belief, I am in good health and free from disease, that I have not had any serious illness or major operation, that I do not engage in any hazardous sports or pursuits, that I do not engage in aviation, and that I am not a passenger on recognised routes, and that I do not propose to do any of these things in the future.)

PART II (I agree that any declaration made by me in connection with this proposal shall be the basis of the contract between me and M&G Trust (Assurance) Ltd, and that I will accept their customary form of policy. I agree to provide any further information the company may require. (A specimen of the policy form is available on request.)

SIGNATURE: _____ DATE: _____

Registered in England No. 1048339. Reg. Office at above.

THE M&G GROUP

PROPERTY

King Canute strikes again

BY JOE RENNISON

THE MANDARINS of Whitehall who think they can prevent the tide from coming in are once again sitting on their thrones on the seashore. It is entirely predictable—indeed one would take a bet of any size—that their efforts will meet with the same kind of success as that of King Canute.

I refer, of course, to the moves being made by Department of the Environment Executives to persuade the building societies to limit the amount they are lending for fear of fuelling a price explosion. It is hardly to be believed that such folly could be contemplated after all that the country has been through over price rises and price falls, the shortage of the flood of mortgages, the scare talk about gasping, etc., over the last six years. It surely must have occurred to those who are supposed to understand the workings of the property market that any move of this kind will have no effect and if anything have the opposite effect which it is intended to have.

It has been reiterated in this column from what seems to be time immemorial—but it must be said again—that house prices will always find their own level

and that the efforts of politicians or money-lenders to alter the market forces are useless.

If the money is there and the supply of houses is there, and the people are willing and able to buy and/or to move then nothing will prevent them paying the price they expect to pay or that the seller wants to put on his property given the average market trends. To cut off the supply of money can at best simply delay for a very short while a rise in prices if that rise is to come.

Events since 1971 have shown this to be a self-evident truth. The boom in prices in 1973 was caused by the fact that houses had been undervalued. They shot up in price but did not go beyond what people can afford. They stood still for the next few years and in the upper brackets fell considerably because again during these years of gloom they reflected what people could afford. Prices will find their level in the same way in the coming year and the year after that, and the year after that, etc.

The building societies—although no spokesman for the movement has said so publicly—are extremely unhappy about this situation, but their hands

are tied. Since the societies put themselves into the hands of the Government when they begged for a loan in April, 1974, the Government have called the tune on lending policy. That this should happen at this time is unfortunate than for just the potential buyers. The housebuilders who were beginning to see a glimmer of revival now see their hopes dashed because of the limit on borrowing power. Their hopes of lifting the housebuilding figures out of the doldrums of the last four years will be dashed.

It is difficult to see the motives behind such a move but one can only presume that a possible autumn election has something to do with it. Maybe the present Government thinks that rapidly rising house prices would be bad for their image in the run-up to an election. But presumably they have not thought of the other side of the coin: they are going to look pretty silly among the electors when Mr. Average is turned down by the branch manager as the building society on the instructions of central government.

There are more things than are dreamt of in your philosophy, dear Whitehall, so please leave well alone.

Two 17th Century Suffolk farmhouses have recently come on the market through the Newmarket Office of Jackson-Stops and Staff.

The first is known as 'The Old Farmhouse' and is situated in the village of Cheveley, about three miles south of Newmarket. It is listed as a Grade II building and has a number of interesting carved timber embellishments and large open fireplaces. The accommodation comprises—drawing room, study, dining room, kitchen, four bedrooms and two bathrooms, with full oil-fired central heating and double glazing. The attractive thatched and timbered house stands in landscaped grounds of about 1½ acres, with a heated swimming pool and outbuildings. Offers over £40,000 are being invited for the freehold. The second period modernised farmhouse is known as 'Pettitt's Farmhouse' (see picture) and



stands on high ground with fine views of the surrounding Suffolk countryside, on the outskirts of the village of Great Bradley, about nine miles south of Newmarket. It has a Norfolk red thatched roof, a wealth of exposed beams, and two fine inglenooks

fireplaces. The accommodation consists of reception hall, drawing room, dining room, kitchen, seven bedrooms and two bathrooms. Outside there is a double garage and well maintained grounds of about three-quarters of an acre. The asking price is £42,800.



Blocks of coral being seen up for building the Hon. Colin Tennant's new house in a coconut grove running down from the beach at Mustique.

Mustique mystique

THE LEGAL JARGON of "to all to whom" these presents shall come, which heads The Mustique Company's land conveyance document is particularly appropriate for the tiny Caribbean island in the Northern Grenadines where Princess Margaret has a holiday home.

Because Mustique, 3 miles long and less than half that wide, 18 miles south of St. Vincent an independent state in association with the U.K. (of which it is a part), is going to promote its delights to a wider audience, in a limited manner, admittedly.

The island, bought by the Hon. Colin Tennant in 1958 (he gave the Princess some land as

a wedding present), and improved, rather than developed with proper roads and services, is under new management. To put it at its simplest, new money has been brought in to form a fresh company, in which a consortium of two Venezuelans and a Canadian own 60 per cent. other directors including Tennant and the Hon. Milton Cato, Premier of St. Vincent. The new investors who make up the consortium, and who already have holiday homes on the island, are Hans Neumann, president of a Venezuelan conglomerate, Corimon, whose main products are paint and orange juice, Alberto Vollmer from a wealthy Venezuelan family

whose business interests have been strong in sugar and rum, and, as chairman, John McLaren, who runs M. F. Holdings, a graphics company in Toronto.

Managing director is Dennis Gibbs, former administrator of Montserrat, an Englishman whom I met on St. Lucia in the nearby Windward Isles last year where he was also concerned with property. He insists that they are all aware of the importance of retaining the privacy of the past, although there are certain essentials that need to be attended to. "Narrow winding roads have to be graded to take out the bumps and jolts, a more ample supply of electricity is necessary, and the air-strip needs lengthening." (If you want to pilot in your own plane the tiny thatched but airport will take light twins, or you can sail into Britannia Bay.)

So what is it going to cost to buy into this idyllic spot? In 1969, as a result of the Mustique Ordinance, a 20-years agreement was enacted that exempts house-owners from all personal taxes and tariffs on the capital goods that are needed for building their homes.

However, that does not mean that anything is cheap in this 1,350 acres of long white sandy beaches, lush green pastures, palms, passion flowers and other tropical delights in an all the year round temperature of 75 to 85 degrees. You can buy a few existing small villas with a limited amount of land at £30,000 or so, which are extremely good value. But plots in the privacy of the coconut groves (planted in 1969), running back from the beach, where Colin Tennant is having a new house built in blocks of gleaming white coral, will cost somewhat more than that for

the land alone. While on the rocky headlands overlooking sea and wooded hills, where you can buy sites from 28 acres and so create a small plantation, the price will obviously work out at very much more by the time a building is on it.

Work on roads and infrastructure to accommodate the new venture have just begun.

The selling has been divided into three phases, and the promotion is due to get off ground in Europe next month, headed by Sotheby's Bernart International Real Estate Corporation, 930 Madison Avenue, New York. (Various formalities have to be completed before the venture can be marketed in America.)

JUNE 1978

One more river...

IT IS ONE THING to own fishing rights on a river but quite another to own a whole section of a river—lock stock and barrel—and no pun intended. But such could be the case with the forthcoming sale of a large section of the River Crouch in Essex.

Just think what one can do with a river: childhood fantasies can become a reality. Splish about in mud without anyone telling you to cut it out; play water-borne cops and robbers up and down the stream and eventually rescue the beautiful heroine: launch boats of your own making.

The major sections of the River Crouch, which lies midway between the River Blackwater and the Thames on the East coast of Essex, have been placed on the market for sale by private treaty. The Crouch is thought to be one of the only 10-foot rivers in England, which are privately owned, the other being the Beaulieu River.

Included are the mill, fishing, shooting and mooring rights in respect of the sections, which are for sale. These rights were originally granted to the Lords of the Manor Burnham in the 11th century, and the present

owners are the successors title.

The Crouch is a well-known sailing river with five boats. The Royal Burnham and R. Corinthian Yacht Club, several sailing clubs on banks. The main centre Burnham on Crouch, which is less than 50 miles from London. The total area for sale about 9,800 acres, covering distance of about seven miles from the upper reaches to sea, a substantial part of which is in hand.

In addition to the river, sale will also include the 1000 of 3/32 High St Burnham on Crouch, comprising two vacant ground-floor units with a flat above, a large stage freehold and leasehold oyster layings, pit and purification unit in the adjoining R. Roach. Also included is 37-foot boat of about 41 with 60 hp BMC diesel engine 10-foot river in England, which are privately owned, the other being the Beaulieu River.

The price quoted for assets of the Burnham R. Crouch is £200,000. Joint Agents acting in the sale are Messrs. Angell and Yarn and Strutt and Parker's Ltd. Management Division.

BRIDGE

E. P. C. COTTER

A PAPERBACK edition of that masterpiece of fantasy *Right Through the Rubic* (Allen and Unwin £2.75) by Robert Duvall and Norman de V. Hart has recently been published. If you do not possess a copy, I urge you to get this new edition, even if you read the book when it was originally published in the early post-war years. The fifty-two hands to which you are introduced are so ingenious and fascinating that you should be able to refer to them from time to time for inspiration.

Let us start with the Tale of the Fire of Clubs.

N. ♠ J 10 3
♣ K J 10 8
♦ 9 8 5 4 2
♥ 6
W. ♠ 8 4
♣ 7 3
♦ 8 7
♥ A 10 9 8 7 5 2
E. ♠ 7 6 5
♣ A 7 5 2
♦ A K 10
♥ 4 3

At game all, with North-South 30 below, East bid one (weak) no trump, South doubled. West rescued into two clubs, and North said two diamonds. With his eye on the rubber, South said two no trumps, and all passed. West led the club ten, which was won by the King, and the King of spades was cashed. This was followed by the heart Queen and a low heart to the ten. East holding off each time. Now the Knave and ten of spades were cashed, which East refused to cover, and a diamond was led to East's King, and the Ace of hearts was made.

At this point West had five clubs to the Ace, dummy had the heart King and four diamonds, declarer had the Ace of spades and the Queen. Knave in each minor suit. East who had the spade Queen, the seven of hearts, Ace, ten of diamonds, and the four of clubs, wondered what to do. Then he led ME the seven of hearts. That's a nice gift, said South, but suddenly he realised that he must throw the spade Ace. Oh well, said South, exchange is no robbery. Dummy now had to lead a diamond, East took his Ace, and cashed the spade Queen, which was now good. The unhappy declarer found that he had no discard that was not fatal.

A progressive squeeze against the declarer is indeed a rarity.

CHESS

LEONARD BARDEN

WORLD CHAMPION Anatoly Karpov will feel quietly content when he studies the results of the traditional annual tournament at Wijk aan Zee, Holland, held early last month. Allied to results at the Russian championship and Hastings, Wijk showed that none of Karpov's potential rivals in his own generation is yet a serious contender for the throne.

Similar matches in the past suggest that Karpov, who has proved himself an outstanding world champion, should beat White, H. Morozevich, K. Korchnoi with something to spare if he is in normal form and health. Korchnoi is just the best of the three, but his evidence of their previous match in 1974, but the 20-year difference in age favouring the champion.

Only if the tensions and psychological manoeuvres affect Karpov more than Korchnoi, or if the match develops into a timeless "cat and mouse" game, will the light physique and low blood-pressure could affect the issue, might there be real danger. And even in the event of defeat there is a scheduled return match when Korchnoi would be nearly 50.

Apart from the Botvinnik-Tal return in 1961 when the younger man participated a few months after an operation, outstanding world champions have only lost the title to players of their own generation (as when Altheine beat Capablanca, who was four years older) or to significantly younger men.

On this score, Karpov can currently have few worries. Of potential rivals in his age group, Romanishin failed in the USSR championship while Sax could not maintain a fast start at Hastings. At Wijk four potential young rivals, Andersson, Mecking, Miles and Timman were outplayed by Korchnoi, aged 46, and Portisch, 40.

Portisch essentially won the first prize because of Korchnoi's loss to the tail-ender van der Sterren, but on his form at Wijk he would have been a more dangerous opponent than Spassky in the final candidates match.

Results were Portisch (Hungary) 8 out of 11, Korchnoi (Soviet) 7½, Andersson (Sweden) 6½, Roe and Timman (Holland) 6, Panno (Argentina) 2½, Mecking (Brazil), Miles (England) and Najdorf (Argentina) 5, Sosonko (Holland) 4½, Kavalek (U.S.) 4, van der Sterren (Holland) 3.

Tony Miles lapsed from his fine performances of the second half of 1977. One reason for his setback in Wijk was that an old weakness, a limited opening repertoire, caught up with him; in the game below, Black is already lost after eight moves.

White: H. Morozevich (Brazil). Black: A. J. Miles (England).

Opening: Caro-Kann (Wijk an Zee 1978).

1. P-K4, P-QB3; 2. P-Q4, P-Q4; 3. N-QB3, P-KP; 4. N-P, N-Q2; 5. N-KB3 (an ancient trap worth a try against a naive opponent is 5. Q-K2, N-KB3; 6. N-Q6 mate). N-B3; 6. N-N ch. N-N; 7. N-K4, B-B4; (P-K3 or P-KN3 are more precise); 8. P-QB3, P-K3; (N-Q2); 9. P-KN4, B-N3; 10. P-KR4, B-Q3 (Miles has got confused with a similar variation where White plays B-QB4 rather than P-QB3; now there is nothing better than playing B-B3, when White wrecks the black pawns by N-B10... B-K5 fails to 11. P-B3, B-Q4; 12. P-QB4).

11. Q-K2, B-N; 12. P-B, Q-Q4; 13. R-R5, N-P (desperation, but if N-Q2; 14. P-R5, B-K5; 15. P-B3 wins the bishop); 14. Q-N, K-K5; 15. Q-Q4; 16. Q-N; 17. P-R5, B-B4; 18. R-Q4; 19. B-K3, Q-Q1; 20. R-Q2, 21. B-Q, P-B3; 22. B-K3, P-K4; 23. Mecking (Brazil), Miles (England) and Najdorf (Argentina) 5, Sosonko (Holland) 4½, Kavalek (U.S.) 4, van der Sterren (Holland) 3.

The recent Wijk tourney was the 40th and perhaps last in the annual series.

worldwide steel recession is forcing cutbacks on the sponsor Hoogoven company. Even if economised version, Wijk said to cost £70,000 this year nearly double the usual sponsored and unsponsored costs of British chess from sources.

Its disappearance would be serious but hardly fatal for chess in the Netherlands. The Dutch Chess Federation receives subsidies of £50,000 from Culture and Recreation Ministry, chess clubs and draughts counts as "denksport" (sport of the mind) and around £45,000 from the national lottery.

annual IBM and Interper tournaments are sponsored, £40,000 and more each year; there are also sizeable subsidies for the national team and coaching.

In Britain, Lloyds Bank will £10,000 programme including Nigel Short's match against City of London played last week. It is the most generous sponsor of national chess.

Solutions, Page 12

White mates in three moves latest, against any defence (Sam Loyd).

POSITION No. 205

BLACK (12 men)

WHITE (11 men)

White mates in three moves latest, against any defence (Sam Loyd).

PROBLEM No. 205

BLACK (5 men)

WHITE (3 men)

White mates in three moves latest, against any defence (Sam Loyd).

Solutions, Page 12

PROPERTY

WOODLANDS FOR SALE

COLLEGE WOOD, OXFORDSHIRE 193 Acres A well-stocked Chiltern wood containing 327,000 h.ft. of BEECH and OAK. Also 31 acres of conifer plantations. Good access. Sporting in hand. Offers over £90,000.

COED NANTGLYN, CLWYD, N. WALES 100 Acres Mid rotation oak, mature Norway Spruce and young conifer plantations. For sale in one or six lots.

CHURCHMOOR WOOD, SHROPSHIRE 53 Acres 23 acres 70-year-old OAK and 30 acres conifers planted 1957. ALSO WOODLANDS FOR SALE IN: GLOS., KENT, SUSSEX, DEVON, HERTS, WALES and NOTTS.

Details of these and other woods for sale from:

JOHN CLEGG & CO., Church St., Chesham (Tel. 4711), Bucks.

REAL ESTATE managed in the PRINCIPALITY OF MONACO

Write to: AGEDI 26 bis Bd. Princeps Charlotte, Monte-Carlo Principality of Monaco Tel. (93) 50 66 00—Telex 479 417 MC Documentation sent free on request

BY AUCTION FRIDAY, 31ST MARCH

DISS

NORFOLK/SUFFOLK BORDERS

4 Bedroom Detached Residence in 1½ Acres. Timbered Gardens, Paddock, Orchard, 5 Acres Additional Pasture.

IN THE UPPER

WAVENEY VALLEY

Modern Country House in 1 acre. 4 Reception, 3 Bedrooms, 2 Bathrooms. Double Garage. Greenhouses, Workshop.

THOS. WM. GAZE & SON

Roydon Road, Diss, Norfolk Tel. 2291

INVEST IN AMERICAN REAL ESTATE

* CALIFORNIA and other prime WESTERN STATES properties \$100,000 to \$1,000,000

* Financing available

* Executive Office Buildings

* Hotels and Motels

* Agricultural & Farm Land up to 1500 acres on cash returns

Long term MON Loans

For specific information on your requirements call:

(415) 574-1616 or write:

JOHN BERGMAN INTERNATIONAL VESTING INC.

2171 El Camino Suite 700 SAN MATEO, CALIFORNIA 94403 U.S.A.

For sale

Southern Tenerife

In the sub-tropical garden development of Chapala de los Cristianos two attractive residential/holiday bungalows each with large lounge, two double bedrooms, kitchen with breakfast bar, lounge, bathroom and garage. Fully furnished. Beautifully landscaped and fruit garden, heated swimming pool, surrounding walls, sea view.

For the price \$78,375.000.

Full details from Box No. 100,443, AUSA, 9000 Galt, San Jose, Calif. Local contact: Mr. Hermann, Los Cristianos.

Telephone: 0634 22 79 11 10.

RIVER TWEED

TO LET APRIL 1978

3-8 April, Junction Boat

10-15 April, 17-22 April, 24-29 April

Apply Sparring Department, JWA, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722

FASHION



Suit yourself in white

LUCIA VAN DER POST

FOR THOSE who like to know about such things there will be two very easy ways to identify the truly fashionable woman this spring. She will either be clad in white from top to toe or else she will be wearing a suit that is white.

White is, even now, to be seen parading up and down the smartest rues and strasse and several of my friends, who have been abroad recently, rushed straight out to buy something white on their return, so old-fashioned did they feel without a white outfit in their wardrobe.

I would be the first to admit that it is the least practical of colours, but I'm not here to make fashion just to report it. White, though not practical, does have other advantages—it is immensely flattering to almost everybody (it's not for nothing that our grandmothers were great believers in a touch of white near the face) and if you can bring yourself to cope with the cleaning and laun-

ing problems it poses, nothing looks fresher, crisper or more appealing than newly-pressed white cotton, silk or wool.

When I first started work, several years ago now, suits (and white gloves, and if you were very important, even hats) were what the ambitious girl wore to work. We teetered along in our stiletto heels and tight, tight skirts and thought we were immensely smart.

Well, suits are back. Though, happily, not in the same way. Skirts are more skilfully cut so as to look slim and yet be comfortable to sit about and move in as well. Jackets are looser and the look is softened with frilled, ruffled or bow-tied blouses.

The trouser-suit, too, is back. The top Paris houses, in particular Givenchy, Nina Ricci and St. Laurent, all showed trouser suits (or pant-suits as they are now frequently called). On those who are tall, thin and naturally elegant they look wonderful but it's not an effect I would recommend for the average British pear-shape.

As you can see, the trouser-suit has undergone several subtle evolutions since it was first sprung upon a shocked world way back in the mid-1960s. Trousers are fuller at the waist and taper down to the ankles and also have turn-ups. Jackets are what they call "unstructured"—this certainly gives a less rigid look to the suit. Though ties (à la Annie Hall) are often worn, so too are soft ruffled blouses.



Left:

This white flannel double-breasted suit is just one of a big range of white flannel suits that Wallis Shopp will be selling from the beginning of March. There are trouser-suits, suits with straight skirts, gathered skirts, single-breasted or double-breasted jackets. This particular one is teamed with a silky spotted shirt with a tie neck. The suit is made from white 90 per cent wool/10 per cent nylon material (£39) while the blouse may be green, black, pale blue or dusky pink viscose crepe (£11.95).

Right:

From Givenchy's haute-couture collection, here is a new wool trouser suit showing the high waist-band, slightly full trousers and turn-ups. The jacket is simple in shape but features the wide, padded shoulder look which is part of the 1978 style. Both St. Laurent and Givenchy like to see their trouser-suits worn with high-heels and a stylish, manish hat. Harrods stocks a selection of Givenchy ready-to-wear designs.



Pruning roses

FEW PEOPLE, I imagine, will have pruned their roses early this year. Certainly most of those I have seen lately have been still unpruned and that goes for all my own roses which I am hoping to prune this week.

March is the traditional month for rose pruning and I have never seen much advantage to be gained by departing from it except for special reasons mainly of concern to exhibitors. Roses pruned now should be growing nicely by mid-April which is quite early enough to expose the young shoots to the rigours of a British spring in all but the most favoured places.

There are even more opinions about how roses should be pruned than there are about the best time to do it. Again many of the differences are concerned with the special needs of exhibitors who tend to be more vocal than other rose growers and so are in danger of being taken too seriously. Exhibitors are concerned with quality rather than quantity and they also have problems of timing, since the dates of the shows at which they hope to win prizes are determined months, sometimes even years, in advance and cannot be altered to suit the weather.

None of this is of any concern to ordinary gardeners whose aims are to obtain a good display in the garden, probably with enough flowers to permit some to be cut for the house without their being missed. Precisely when they come does not matter and, hopefully, there will be some to enjoy most of the summer and well on into the autumn, if the weather is kind. Yet even for the least show-conscious rose grower there should be some differences of pruning to suit the very different growth habits of roses.

It would, for example, be foolish to prune Queen Elizabeth, a giant, and Topsi, a dwarf, in precisely the same way.

Before even starting to prune it is wise to stop a moment and ask oneself why one is doing it at all. The answer should be to get new growth, for that is what roses depend on. In the wild they allow their older branches to die so that they can be replaced by new stems but it is not a very clean and tidy, nor is it a very safe, method of pruning.

So the first aim, when one sallies out with secateurs and saw, should be to help nature in its own work by relieving rose bushes of branches that have ceased to be useful. Some will be genuinely old branches with dark, hard, furrowed bark and very little new growth, others will be prematurely aged and weakened by pests and diseases. It is not very difficult to spot both kinds for the strong young stems, those that must be retained, have smooth, polished skins free from any major blemish.

So make a start by cutting out everything that does not answer this description. Of course some of the good young stems will be growing from older ones and that does not matter at all. Branches that are still able to produce sturdy young growth may be old but they are not aged, which are very different things. Even so, they should be cut back as far as the young growth, so concentrating the plant's resources where they will do most good.

For most of this initial thinning a strong pair of lopping shears, to be used with both hands, may be better than secateurs, which have to be used one handed. A little of it may actually require a small saw,

When the removal of old wood has been complete the rose bushes will look very different and it will be much easier to judge still needs to be done. Prob very little if the rose naturally vigorous, certainly more than a moderate showing of remaining stems, I quarter to one third length which will make a branch lower down than would otherwise do and so vent them from becoming awkwardly gaunt. Hard pruning is apt to produce stunted growth and if the variety naturally vigorous it may

GARDENING

ARTHUR HELLER

be growth at the expense of flowers.

But for roses of average less than average, vigorous pruning will give longer and better flowers. Good stems can be shortened by up to thirds, weak ones may be with no more than a couple of growth buds. These are little buds formed where stalks are attached to stems at this time of year they appear as small swellings with the leaf scar left by the falling leaf below each. All pruning must be made just above a bud, preferably one point in the direction you would like the new shoot to take. Norm this will be away from the centre of the rose bush which does not need to be cluttered with inward growing, cross stems.

Usually the top bud is first to start growing, followed possibly by others lower down the stem. However, things not always go according to plan and so it is wise to keep an eye on the rose bushes during the summer to see just what happens. If, in some cases, the top has remained dormant, another, lower down the stem, has taken over, the stem should be further shortened to a shoot. If this is not done, probability is that the stem will die back of its own accord that point, a natural method of pruning but neither a tidy nor a safe one since decay, if started, can progress further than one would wish.

Pruning is not the end of operation. To ensure the really is followed by active growth, the roses must be first with a compound fertiliser sprinkled over the surface whatever rate is recommended by the manufacturer, soaked by a mulch of manure, garden compost, peat or shredded straw.

Manure is best because the roses more generously than compost. Peat and straw, though they are very good at pressing weeds and retaining moisture near the surface, both help the roses to grow. Some gardeners fear that it will depress fertility, as it does, by encouraging bacterial activity without providing the extra nitrogen the bacteria need. In fact experience is in showing that this does happen for the simple reason that bark decays very slowly and there is little or no increase in the bacterial population in the rose beds and hedges. In the rose beds and hedges, a hoe, if weeds do not grow through,

Internationally acknowledged to be the finest cigarette in the world

dunhill The most distinguished tobacco house in the world

MIDDLE TAR As defined in H.M. Government Tables.

H.M. Government Health Departments' WARNING: CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London F54. Telex: 566341/7, 563897

Telephone: 01-248 8000

Saturday March 4 1978

More dollar trouble

IT HAS been another dismal disagreement has attracted a week for the share market. One neither diplomatically useful specific reason for this week's performance has been the very sharp drop in half-year profits reported by EMI. A more general reason has been the downward revision of hopes about the economic prospect and the Chancellor's scope for reviving the economy in his coming Budget. The usual flood of pre-Budget forecasts and recommendations is coming in and the range of opinions expressed is quite wide. On the whole, those most interested in gilt-edged are nervous that Mr. Healey will stimulate the economy too much and bring back rapid inflation; those most interested in industrial equities fear that he will not stimulate home demand enough to make up for the likely drop in export profits. He himself told the NEDC meeting on Wednesday that a significant stimulus would be needed to achieve the 3½ per cent. growth rate predicted earlier in the year but seemed uneasy about the ability of the economy to cope with a rapid expansion.

Besides its purely domestic concern, the stock market must be influenced by the gloomy state of Wall Street. There, too, the predominant fear is that the economic recovery will not be maintained as long as originally hoped. But the latest price index has worried investors who have had to put up with another week of uneasy speculation about the dollar.

Co-operation

It was the present state of the foreign exchange markets which induced Mr. Harold Lever to inform a banking conference at the beginning of the week that some way would have to be found of restoring the international co-operation which functioned in the monetary field for the 20 years after the war. Without that, he said, the existence of balance of payments deficits which were tiny in comparison with world production would lead to protectionism and mutual injury to all concerned.

An attempt was made this week to dispel the acrimonious atmosphere which has been settling relations between the U.S. and Germany in particular. The U.S. case which the German have been unwilling to accept, is that these two countries together with Japan should seek to bring about a general revival in world trade by further stimulating their economies. The publicity which this

Oil price

What so vague an understanding means in concrete terms remains to be seen. The officials had no power to commit their governments, and their main object was to prepare the way for a Ministerial meeting of the OECD in June and a Western economic summit meeting in July. There does now seem, however, to be rather more hope that the Ministers will be able to agree on something and that the summit meeting will amount to something more than a slanging-match which would do nothing at all to help an international financial system which needs all the help it can get.

Even while the OECD meeting was going on, in fact, the dollar was in further trouble. The Swiss, who took measures to discourage the inflow of foreign funds (French francs as much as U.S. dollars) last week, took further measures this week—banning stock purchases by foreigners, extending the negative interest rate on foreign deposits and making it apply to central banks as well as private citizens. But what helped the dollar last week was without effect this week. The Swiss measures were more than offset by the fact that the Germans, who had been expected to take similar action, did not; by some ambiguous remarks by the German Economics Minister about the dollar/mark exchange rate; and, above all, by a warning from Kuwait that, if the decline in the dollar continued, he might call for a special meeting of oil producers to protect their earnings by raising the dollar price of oil.

It was at this point that President Carter intervened by declaring that the foreign exchange markets had got it all wrong. Such interventions usually have much less effect than intended. If anxiety about the dollar persuades Congress to take prompt action to control oil imports, however, the President may still turn out to be right.

Letters to the Editor

Punishment

From Mr. C. Radmore

Sir—Joe Rogaly's article "The politics of crime and punishment" (February 28) is full of contradictions and his convoluted attempts to justify a point of view to which he was obviously already wedded do not enhance his reputation as a serious commentator on social issues.

He cautions us against the demagogic use of dubious statistics (although he does not tell us when a statistic becomes dubious) and then proceeds to base his article on statistics. He proceeds to draw comparisons between recorded crime statistics in the United States and the U.K. and then accuses politicians who associate our condition with the U.S. of misleading people.

Finally, in three paragraphs he castigates the Conservative Party for having the temerity to discuss this "law and order" issues in public and baldly asserts that the Home Secretary is right to say that a change in Government would produce no change in policy giving no reasons other than (presumably) a personal prejudice.

It has been said many times, but is none the worse for repetition, that the most effective deterrent to crime is the certainty of being caught. To that end, any government which places public safety at the head of its list of priorities should, as a priority, improve substantially the pay and conditions of the police force especially in the Metropolitan and ensure they are working with the most modern equipment available.

A thorough review of the workings of the Children and Young Persons Act 1969 should be undertaken with an eye to reversing the increasing trend of juvenile offenders to treat the courts in an off-hand and flippant manner.

As has been suggested by a group of Conservative lawyers, there should be a move away from lengthy custodial sentences towards short, hard-regime sentences.

A change of Government will obviously not bring overnight changes but the attitude of the public, many of whom are afraid

to open their doors at night or are afraid of being attacked in broad daylight, is now such that the more "soft" politicians like Mr. Rens and muddled journalists like Mr. Rogaly try to sweep the issue under the carpet, the louder people are going to shout. Like immigration, law and order is not a subject that the Conservatives will try to turn into an election issue. It already is an election issue because the voters choose to make it so.

Christopher Radmore, Holborn and St. Pancras South Conservative Association, 25 Argyle Square, W.C1.

Silence

From Mr. J. Dewar

Sir—Reflection on the present situation leads one to the conclusion that the Conservative Party is heading for a Left-wing totalitarian takeover. There are two incontrovertible facts to be faced: (1) The days of cheap fuel are over, and policy giving no reasons other than (presumably) a personal prejudice.

Unemployment, which has grown since the oil embargo of late 1973 will continue to grow unless some permanent effective action is taken. This can take two forms: (a) work sharing, or (b) the mass injection of funds to create employment in the public sector—further hordes of civil servants to control our lives.

When is action going to be taken on (a) to avoid (b)?

John Dewar, 15, Westminster Road, Slough, Berkshire, RG1 1AA.

Lofts

From the Secretary General Association of British Manufacturers of Mineral Insulating Fibres

Sir—Mr. Graydon's letter (February 28) implying that

HENRY MAYHEW, the chronicler of London's working, and out-of-work, classes (London Labour and the London Poor, 1861) was not the first to mention the fried fish trade in print. It was probably Charles Dickens. But Mayhew was the first, in this as much as else, to put the trade into its social context.

"The fried fish sellers live in some out-of-the-way alley, and not infrequently in garrets, for even among the poorest class there are great objections to their being fellow-lodgers on account of the odour of the frying," Mayhew went on to report an informant telling him of the trade's preferred locations: "A gin-drinking neighbourhood suits best, for people haven't their small so correct there."

The historian of the trade, Mr. Gerald Priestland (now the BBC's religious correspondent), writes in his informative and entertaining book *Frying To-night* (1977) that sellers of fish and sellers of chips were originally separate trades. The two commodities were probably brought together by the eating experiments of customers, then through the initiative of an Oldham tripe dresser named Dyson, who commissioned the range-making firm of Nuttall's to build him a range for frying the fish and the chips in the 1880s.

Fish and chip traders do not like to linger on the origins of their trade. They will point out, rightly, that Victorian catering for the poor was, in general, a risky business for the customer; and that rising standards of cleanliness (much improved by the replacement of coal by oil or gas as the fuel for the range) affected fish fryers as well as others. In the course of time, and especially in the course of the last world war, fish and chips were found to be nutritious. By that time the trade had been organised by the National Fish Friers Federation and if not a power in the land, it had at least severed its connections with gin-drinking neighbourhoods.

What, then, of the trade today? Most people have opinions about fish and chips and they seem to agree that they are not what they were. Prices have gone up, and the traditional chip shop is changing. My research suggests there is good reason for this.

There is, perhaps surprisingly, little evidence that big business has much to do with the changes. There are only two fish-frying chains with more than 20 shops. One is Friar Tuck (an amalgamation of two smaller chains, Crusoe Fish Friers and High Tide), a subsidiary of Ranks Hovis

changed? Yes, they are doing so, although the process is gradual. The number of fish and chip shops has dropped from between 11,500-12,000 in 1973 to between 10,500 to 11,000 today. The closures tend to be among the small, front-parlour operations, mainly in the North: the only area which shows a net increase of both individual and chain shops is London and the South.

The small shops have often gone out of business simply because they, and/or their customers, could not keep pace with price increases. Their place is often taken by modern, comparatively large high-street fish-friers, with one new shop replacing two or three small ones.

There is, perhaps surprisingly, little evidence that big business has much to do with the changes. There are only two fish-frying chains with more than 20 shops. One is Friar Tuck (an amalgamation of two smaller chains, Crusoe Fish Friers and High Tide), a subsidiary of Ranks Hovis

local and national exchequers in lieu of present taxes on production and service. Jobannesburg has been rebuilt twice in 82 years. Here site (land) values have been rated (or "taxed") thus land holders are encouraged to develop sites to full potential, so cancelling inner-urban blight.

The salient factor is that land and labour (mental and physical) are the prime factors of production. Should we treat land values as common property, holders of unused and under-used sites (pieces of land) would be stimulated into using the sites or letting them go to whoever could use them in return for paying the commercial rent, which would not penalise improvements. Employment is the application of labour to land, so land value taxation (site-value rating) is the key to full employment.

How our chests would swell with pride if we thus released our great potential of land and labour and gave up subsidising the involuntary unemployed as well as the undignified crawling to international finance sources!

T. F. Holdcroft, 20, Monaco Place, Newcastle, Staffs.

Directors

From Mr. O. Lee.

Sir—In the February 24 Lombard column, Anthony Harris seems to have fallen considerably below his usual standards of analysis and constructive comment. My reaction is probably coloured by what I hope was a sub-editor's title: "Putting a monkey on the Board." This is somewhat insulting to existing non-executive directors and is not exactly complimentary to the CBI, Institutional Shareholders' Committee and Institute of Directors who have advocated more use of outside directors.

I have doubts about the details, but not the fundamentals of proposals from these bodies. My concern is that the CBI and IOD seem to view their own proposals as being mainly edictive for the non-executives in order to benefit their employing companies.

Unarguable

From Mr. R. Instone.

Sir—One of the oddest contemporary malapropisms is the use of "unarguable"—a term favoured by lawyers for abusing the other man's case—to mean "uncontroversial," its exact opposite.

The Leader of the Greater London Council declares (February 23) "That London has more to offer than any other city in Europe (let alone in Britain) is unarguable." The majority of Europeans, especially non-English ones, will not doubt agree with this statement. But does it mean what Mr. Horace Cutler meant it to mean?

Ralph Instone, 13, Old Square, Lincoln's Inn, W.C2.

Fish'n'chips ain't what they used to be

BY JOHN LLOYD

McDougall, which has 23 shops. The other is Seafarer, an Associated Fisheries subsidiary, which has 22 shops, down from 26 in 1974.

Significantly, most of the Friar Tuck and Seafarer shops are in London or in the South East. There are about half a dozen other chains in the same area with between five and 16 shops: there appear to be very few in the North.

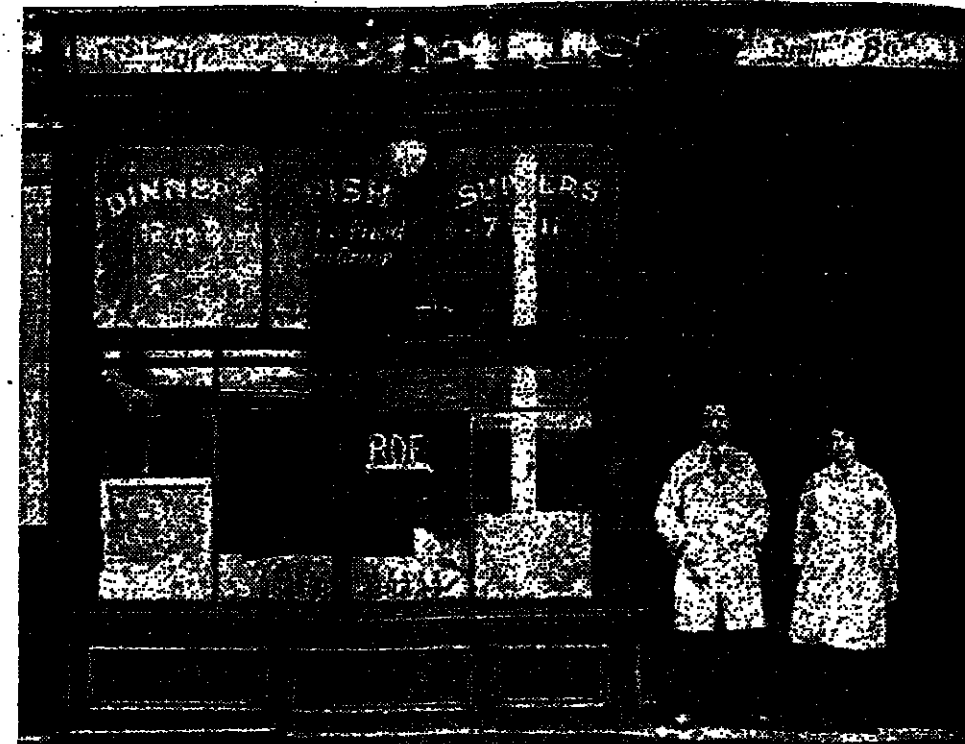
This division between the South and the North in fish frying is marked, and may be increasing. Priestland provides a historical perspective: "Between the artisan friers of the North and the more opportunist coster-friers of London, there was an early distinction... accounted for partly by the shifting character of London's population, compared with the tendency to stay put around the mills and factories of the north."

To-day, the division is in part perpetuated by there being two trade associations. The oldest, established in 1913, is the National Federation of Fish Friers based in Leeds. In 1972, it split and the rival Confederation of Fish Friers and Caterers Associations was formed, which is strongest in London and the South.

The older Federation is an energetic body, which publishes a highly readable monthly review and runs training courses for new entrants to the trade. But it has a history, is conscious of it and regrets some of the changes in the trade. The editor of the review, Mr. John Sanderson, is young to the trade but equivocal about modernisation: his own most favoured shop in the country is a front-parlour frier in a back street round the corner from his office.

Mr. Geoffrey Bell, the part-time secretary of the Confederation, is a New Man. With his cousin Peter, he runs seven shops in south London, and is about to acquire two more. The Bells are face-lifting: they showed me a "before" shop—standard 1950s fittings, looking a little weary—and then an "after" shop—with shiny new range, mock-tudor dining area and gleaming exterior.

"Our opinion is that the top end of the market will grow," said Mr. Peter Bell. "The bottom end—the chap who buys fish and chips because he can't afford anything else—will decline."



A WHIFF OF VINEGAR: two of the early family and their Denmark Hill shop.

we are to compete with Kentucky Fried Chicken and the Indian and Chinese takeaways. People from London to cover most of the U.K. except, it seems, the friends into a fish and chip North East.

Are fish and chip shops being run by foreigners? An increasing number probably are. The Fish Friers' Review for last month notes the election of "Messrs. Leong, Mastoras, Poole, Pre, Santi and Shields" to the executive of the Chester Fish Friers' Association, and comments: "Does any other Association or Branch of the Federation possess such a unique representation—a committee made up of an Englishman, a Scotsman, a Welshman, a Greek, an Italian and a Chinese?" Look out for next month's review for replies.

Foreigners have a long and honourable history in the trade. The Italian friers of Scotland, probably being the largest and most homogeneous group, fed a Greek, an Italian and a Chinese? Look out for next month's review for replies.

Mr. Lorenzo di Ciaccia, a successful Glaswegian frier, puts it down to native poverty and emulation: "One came here, found he could make a good living, went back to Italy, told his relations, they all came."

Mr. di Ciaccia's father founded the family business in the early 1920s. His brothers had taken the more traditional route to America and, discouraged by the activities of the Mafia, returned to Italy. Mr. di Ciaccia senior obviously considered Rangers' supporters a more manageable risk, and opened a shop in Glasgow's Shettleston Road.

Mr. Lorenzo di Ciaccia was in the business part-time when a child, full-time on leaving school at 14. Now in his early 60s, he has a large house in a pleasant suburb. The family has six shops in Glasgow, and a brother has opened up in Edinburgh. There are no signs of

Glaswegian frier

Mr. Lorenzo di Ciaccia, a successful Glaswegian frier, puts it down to native poverty and emulation: "One came here, found he could make a good living, went back to Italy, told his relations, they all came."

Mr. di Ciaccia's father founded the family business in the early 1920s. His brothers had taken the more traditional route to America and, discouraged by the activities of the Mafia, returned to Italy. Mr. di Ciaccia senior obviously considered Rangers' supporters a more manageable risk, and opened a shop in Glasgow's Shettleston Road.

Mr. Lorenzo di Ciaccia was in the business part-time when a child, full-time on leaving school at 14. Now in his early 60s, he has a large house in a pleasant suburb. The family has six shops in Glasgow, and a brother has opened up in Edinburgh. There are no signs of



The Government has countless schemes to help the low paid maintain their standard of living

Who's going to help you maintain yours

We could, at Allied Hambro. We've been helping people like you protect your capital and savings against inflation for some forty years now. (Indeed, we were one of the pioneers of the unit trust movement.)

And the records show we've had more than our fair share of success with our policy of aiming for consistent, above average investment performance. Take our High Yield Fund for example. Between July 1974 and December 1977 the cost of living rose 72%. Those who held those units saw their gross income from this fund rise by 78%.

We wouldn't like to imply that we could always repeat that performance, nor that it solved all the financial problems of the unitholders concerned. But it does show how our range of funds and schemes could give your capital a chance to fight back against inflation. While we'd like you to join us, we'd rather you first sought the impartial and expert advice of your professional adviser. If he thinks we're the right unit trust group for you, then perhaps we can get together and help you. For it's jolly unlikely the government will.

ALLIED HAMBRO
"WE'RE ON YOUR SIDE"
ALLIED HAMBRO GROUP, 15, MARK LANE, LONDON EC3A 7DF

مكتبات التجميع

The spectres haunting house prices

BY MICHAEL CASSELL, Building Correspondent

THE GOVERNMENT'S obsession with the spectre of rocketing house prices has finally forced it to step in and clip the building societies' wings.

For the first time this week the societies' mortgage lending programme should be artificially restrained at a time when they have never had more money available to lend is already being described by critics as a massive over-reaction and an entirely unnecessary panic measure.

The building societies and the house builders are angry at what they are convinced is a misguided Government intervention. Neither can the potential home buyer be expected to welcome the news once it is clear that mortgages are becoming more difficult to get.

The Government, however, is committed to ensuring that house prices do not run out of control, as they did six years ago when the average cost of a home rose by nearly half in 12 months.

Ministers are gambling—in what is likely to be an election year—that the promise of house prices rising at only a gradual rate, keeping home ownership within the reach of more people, will override complaints that mortgage money is being held back.

Opponents of the move feel the Government has made a major miscalculation and that people would rather face paying higher prices for their homes—as they are now apparently ready to do—than find themselves unable to buy one at all.

The critics add that the additional numbers of people helped to achieve owner occupation through a dampening down

of prices will in any case simply be offset by the numbers unable to get a mortgage because of the new cut back in the supply of housing finance.

But what annoys the societies in particular is the assumption, implicit in the Government's action, that it is primarily the volume of mortgage lending which dictates the movement of house prices.

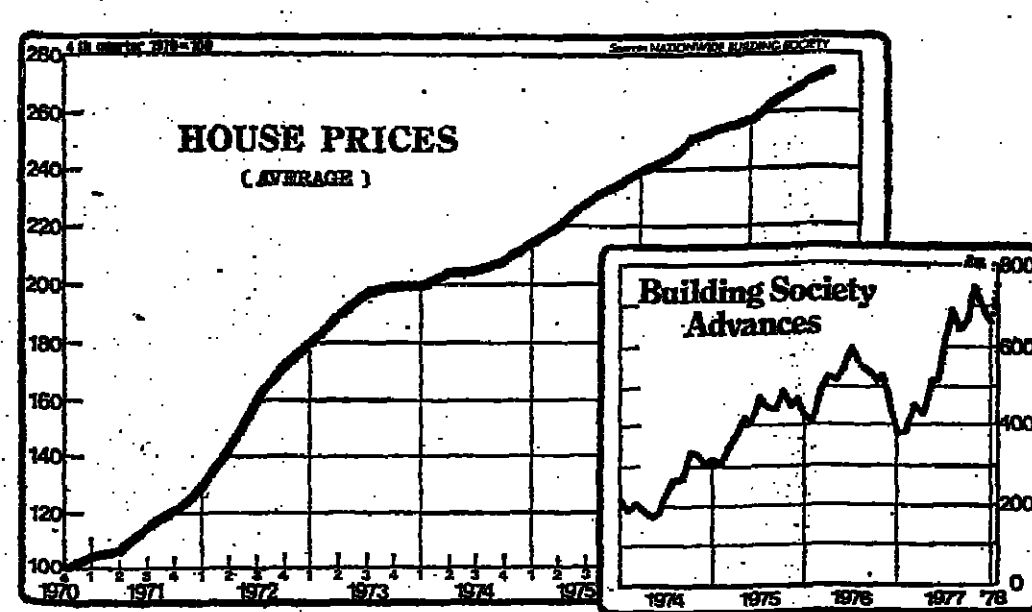
Wider factors

High mortgage lending and spiralling house prices have been regarded as the corollary of each other since the two phenomena occurred together in 1972 and 1973, but the societies do not accept the theory. They have consistently pointed out that no amount of mortgage finance can trigger off rocketing house prices unless wider economic factors are brought to bear on the situation.

Their case is well demonstrated by the fact that the largest ever mortgage advance programme in the U.K. was accompanied last year by what amounted to virtually stagnating house prices.

But even if the Government accepts the societies' argument it now apparently thinks that all the factors for sharply rising prices do exist and that it can defuse the situation by rationing finance, and ensuring that the full extent of housing demand is not allowed to become effective. The societies believe Ministers could be storing up more problems than they believe they are solving.

At the centre of the Government's controversial action are figures which Department of the Environment officials put before the societies at a meeting last week. Originally from the societies themselves, and supported by other evidence from



valuation experts, the figures showed that after four uneventful years, house prices were beginning to advance fairly rapidly.

According to the DoE, average prices for new homes during the December-January period were rising at an annual rate of 19 per cent against the 8 per cent figure recorded in the middle of 1977. At the same time, average prices for second-hand homes were increasing at a 14 per cent annual rate against 8 per cent six months earlier.

Ministers were clearly startled and could no longer say there was only anecdotal evidence to suggest the market was moving. Their January agreement with the societies that £720m. a month could be injected into the housing market without upsetting things was already looking questionable.

Mr. Reg Fresson, Minister of Housing and Construction, had, only a few days before last week's meeting, gone on record

as suggesting that average price rises for the year would be contained to about 10-11 per cent.

His action was apparently an exercise in psychology to try to calm the market down, undertaken in the knowledge that something less than a stable situation was already developing.

The chances of the Government stopping in and saying "enough is enough" have been present for some time, ever since the societies' mortgage commitments, as opposed to their actual lending, began creeping towards the £800m. a month mark in the latter part of 1977. A year before commitments had been running at around £450m. a month.

The societies knew that the Government might be tempted to apply their brakes for them at any time, although no action was expected so early on in the Housing and Construction, had, year.

Their reaction to the latest situation, basically one of an-

noyance but of resigned acceptance, has been formed after a quick assessment of both the political and economic considerations, the basis on which all their decisions must be based.

They believe they have a very good case for opposing any further intervention in the housing finance market at the present time (even current lending levels reflect an element of self-imposed restraint) but they also know that failure to comply could bring nearer more direct Government control over their affairs.

Neither are they prepared to take the risk of being blamed if, however unlikely they consider it to be, prices really did take off.

The societies emphasise that house price rises have been sluggish for over four years—the average increase in 1977 was 8 per cent—and that increases on a greater scale are acceptable and positively necessary if new homes are to be built.

Prices, they point out, are still too low in relation to retail prices, earnings and the mortgage rate and a realignment has for some time been inevitable.

There is no doubt that the consistent fall in the cost of mortgage finance, from 12½ per cent at the start of 1977 to 8½ per cent now, has been a major factor in stimulating the market. As one building society executive explained this week, the average advance at the beginning of last year was £8,400 and for the same mortgage repayments a house buyer could now borrow £11,150.

But the societies still believe there is no cause for panic and point out that there is no evidence in their hands to suggest that prices are moving ahead rapidly right across the board. They emphasise that the rather dramatic increase in the price of new properties now being experienced in some areas has only a minor effect on the total housing market and represents no more than 15 per cent of their total lending.

To the builders, however, the prospect for prices in the new house sector is the most essential consideration and they have wasted no time in writing to Mr. Peter Shore, Secretary for the Environment, warning him that the revival in housing output could be snuffed out by the Government's action.

The builders suggest that sharp increases in prices being reported represent a once-and-for-all market correction after a long period in which house prices have fallen in real terms almost doubled. Further rises are therefore essential, they say, if the economics of housebuilding are to be re-established and builders step up output.

Mr. Ian Deslandes, Director of the House Builders Federation

commented: "The immediate result of any cut in mortgage lending would be that housebuilders' confidence would be hit just at the time when it is starting to recover after four exceptionally bleak years. Private housing starts would be much lower than would otherwise have been the case, and we would be back again in the stop-go situation which has bedevilled our industry for so long."

The builders also believe, along with many of the building societies, that far from restraining increases in house prices, a cut in mortgage finance could precipitate a sudden increase in the demand for houses and loans because of fears of future shortages.

As far as second-hand prices are concerned—the key to the whole market—the societies do not believe that the sort of annual rate of increase now showing up is cause for intervention of any type.

Closer control

But despite the initial readiness on the part of some of the political considerations—more bluntly, their fear of closer Government control over their affairs—have played a major part in their reaction.

Their longstanding desire to keep Ministry officials at arms' length has usually ensured that the societies have been careful not to ignore the views of those people who could make their lives potentially more difficult. Compromise rather than confrontation has been the keynote and this approach can be expected to continue.

As for the societies' own operating position, the money which will now be held back—expected to be something less

than £100m. a month—will for the time being at least be invested elsewhere, probably in short-dated gilts.

The move will help maintain the societies' strong financial position and serve to highlight the irony of a situation in which the full benefits of their unprecedented success will not be allowed to be passed on to their customers.

Of one thing the movement seems fairly certain: the additional surplus will not create sufficient pressure for the societies to reduce interest rates yet again in an attempt to cut off the inflow of new money. They point out that, in any case, the intake of funds has begun to fall back.

The volume of mortgage money being withheld from the market will not be large enough to justify a further trimming of rates and it is clear that still cheaper mortgage finance would only add to current inflationary pressures.

In the coming weeks, the societies face the tricky task of implementing what is effectively a Government directive that can only lead to lengthening mortgage queues.

They will be anxious to emphasise that the effects of the lending cut-back should not be too dramatic and that they will still be lending more in 1978 than during 1977.

The societies will, however, only be prepared to act as a buffer between the Government and an unsatisfied public for so long. If, as they suspect, the reduction in mortgage availability has no apparent effect on house prices—or only serves to exacerbate the situation—they will be back at the Department of the Environment calling for an end to what most of them regard as a rather clumsy attempt to influence market forces.

Weekend Brief

Book lovers

It would seem, in spite of the sexual revolution and the women's liberation movement, that many women are not averse to picture themselves as chattels and sex objects. A new brand of the women's romantic novel is now running in heady rivalry to the old romantic novel which is still flourishing in the U.S. as in Britain.

Barbara Cartland, long hailed as the world's most-read novelist where the heroines are all virgins, has 40m. of her books in print in the U.S. alone.

Stuart Applebaum, publicity manager for U.S. Bantam books, whose house company is based in the U.K., says: "She



At 31m. of her books printed in 1977, probably more than any author published in America, certainly for Bantam.

Georgette Heyer, the Regency romance queen, had over 1m. of books printed by Fawcett in 1977. The new genre known as 'erotic historic romance', allied by the cynics to the 'sterile' romance, no longer attracts the heroine as a delicate flower of femininity given up on at the mention of

Our new lady is normally drawn out into the world through a series of unfortunate circumstances and proceeds to kidnapped, raped, ravaged, sometimes beaten, and generally dragged before the old down the river in every imaginable way while travelling thousands of miles across continents, oceans, mountains and viciously untraversable terrain in pursuit of her true love.

But the old and the new have a very pertinent point in common. Through all these ex-

periences, the reader is not treated to any but the most-down descriptions, and these are never in any way explicitly sexual. No X-rated language is allowed.

These books are definitely for general audience, and are marketed for the casual reader, who buys her books in drug stores, dime stores like Woolworth's and the book rack near the subway, and then reads them mainly on the ride to and from work.

Women's names are predominantly in the titles with a Mediterranean flavour of dark-eyed passion, names like Lillian, Madeline, Raffaella, Shama, and Odile ("she followed—her destiny—born of desire into a world of scarlet pleasures").

They are also named by specific fantasy: *Love-defiant Prisoner*, *Love For Ever More*, *Sweet Savage Love*, *The Flame and the Flower*.

The art on the big historic is intensely romantic, usually a painting of an embracing couple in the costume of the period, the book portraits surrounded by warm colours with the title in large script.

The back cover gives pertinent geographical and historical information. The hero hasn't changed much, usually a dark, dashing, powerful, passionate scoundrel, the black sheep of his noble family or a ruthlessly ambitious man on the rise with "a hint of cruelty around his hard blue eyes or sensuous mouth."

She hasn't changed much either. A beautiful voluptuous high-spirited woman who is also opinionated but not very introspective. The main difference in her at long last is that she is able to adjust to her circumstances and given that these are generally intolerable, we may add, stubborn.

If these novels seem to be a joke and many people read them for their obvious camp value, one place they are not laughing except for glee is in the accounts department of Avon Warner Bantam and Dell Books. These books generally sell for two or three dollars and run, if popular, to a million imprints, making this new book category a big business in American paperback book publishing.

More screen gems

It was a bit like the sixth form being dragged before the Governors when the heads of the Independent Broadcasting Authority faced a sub-committee of the Select Committee on the Nationalised Industries earlier this week. Pushed hard to give some details of the row that has patently been raging between the IBA and the Tre-

In Britain and America hot breath is once more burning on heaving (but covered) bosoms. The romantic novel is making more than a comeback, it is sweeping recent best selling lines such as horror and science fiction from the shelves.

surely of late, those two one-time educationalists who now control the Authority's fortunes, chairman Lady Plowden and director General Sir Brian Young, seemed determined not to tell tales out of school no matter how nasty the bullies were being behind the bicycle racks.

What eventually emerged was that the Treasury has been trying to grab the IBA's cash or, as Sir Brian would prefer, "there have been discussions over our surplus." The Authority wants the money to push its UHF signal deeper into those far-away valleys which now only receive the old 405-line signals, if that, and to boost its now thriving if tiny network of commercial radio stations. Having salted away a bit of money it was a bit hurt to find the Treasury eager to snatch it. Play the whole thing down as they might try it is clear that the conflict was no minor one. The IBA's annual report is now five months late and will be published, as the M.P.s are quick to point out, a full 12 months after the end of the relevant financial year.

The problem for the IBA is that these profits come from the rentals they charge the television companies for their franchises. If the surplus starts to be syphoned off by Government (or should it be triple, what with the levy and all) in the case of the radio companies the IBA has devised a sneaky little system which should, in theory, keep such cash out of the hands of Whitehall. When radio starts making healthy profits the IBA has a system of additional rental charges. Last year only Clyde paid them, but soon London's Capital, Manchester's Piccadilly and Birmingham's BRMB will be asked for more. The money so raised is this time quickly spent on investment in the arts or other overall improvements of radio material, leaving little in the kitty.

All in all, Government/IBA relationships are at a pretty low ebb. The Authority itself ceases to exist in July of next year unless present statutes are renewed or replaced. This raises the interesting legal problem of companies perhaps entering into contracts when their own contract of operation still has a finite date of expiration. Protests about the position have not so far with the Home Office Minister responsible, Lord Harris, who shows no signs of urging along the publication of the White Paper on the future of British Broadcasting.

At the sub-committee hearing those sitting near the IBA witnesses were able to hear its director of radio, Mr. John Thompson say to the question, "When will life become impossible for you?"—"Now."

House hunting

Anyone who thought that the site in the capital to add to his great hotel boom in London present stock of three. He like added four years ago had better prepare themselves for further in particular what is going to shock. While Sir Charles Forte

continues his investment affair with the U.S., the Americans are returning the favour with continued aspirations as far as British properties are concerned. A few days ago Loews Corporation discreetly opened the doors of its recently purchased Montcalm at Marble Arch. Marriott will soon confirm its acquisition of the massive south bank property that was once the apple of Spanish hotelier Jose Melia's eye but then turned sour, and in the Brussels European headquarters of Sheraton, area chief John Kaplitzas broods over the prospects of adding further to his London holdings.

Marketing aggression seems to be the name of the hotel game these days so it is hardly surprising that Sheraton blithely says it intends being the biggest hotel company in the world within the next decade. At a rare sales meeting recently I saw Sheraton executives pumping home the "Hilton and Intercontinental were the companies



Kaplitzas: build up of the 'sixties, we are the company of the 'eighties' theme, a message which simply brings cynical smiles to the lips of the rivals.

By any measure Sheraton's Kaplitzas is looking after a rapidly expanding section of the empire. From his Belgian tower block (Eurohome of parent ITT as well) he looks after the two dozen properties currently in operation and plots further expansion. This includes a 600-room project in Jeddah, 350 rooms in Bahrain and 350 rooms in Dubai in an impressive array of Middle East developments. There seems little doubt that Sheraton is trying to do in the Middle East what the rivals did in Africa and Latin America a decade ago.

At the last count Sheraton was thinking in terms of more than 60 new building projects for completion by 1982, about half of them in Europe. As far as Britain is concerned Kaplitzas reckons that he would leap at the chance of a good site in the capital to add to his great hotel boom in London present stock of three. He like added four years ago had better prepare themselves for further in particular what is going to shock. While Sir Charles Forte

Water ways

Not since the days of the hard-working Duke of Bridgewater have Britain's canal enthusiasts been given such grounds for optimism as they received this week. The optimism and the possible new lease of life for much of Britain's steadily winding down canal system came in a report from the select committee for nationalised industries on the ability of the nationalised British Waterways Board to discharge its statutory duties.

Unlike many nationalised industries, the canals are recognised as an industry that has every right to expect government aid. Indeed, as the committee of M.P.s quickly spotted, without aid the Board has hardly a chance of doing its duty "to maintain the commercial waterways on a suitable condition for use by commercial freight-carrying vessels and to maintain the cruising waterways in a suitable condition for use by cruising craft."

Almost the only person not to recognise the obvious, appeared last week to be Mr. Denis Howell, Minister of State for the Environment, and in effect Minister for canals, as well as water, droughts, snow and weather control. He was criticised for not acting on the Board's dilemma and the dangers of collapsing canals.

Now, if the Government and Parliament accept the recommendations from the M.P.s, Britain's canals can expect an investment boost of some £80m. This would go entirely on urgently needed maintenance. So far as the Kennet and Avon enthusiasts are concerned some of it ought to be used putting into ship-shape order the magnificent Devises dam, currently clogged beyond belief, but providing an ideal home for water fowl, algae and tangles of reeds and weeds.

More likely is that the money will go on shoring-up locks and aqueducts that are, as the M.P.s kept stressing, a danger to life and limb.

Only when this aspect of Britain's canal heritage is put back on a sound, water-tight footing, can the enthusiasts of Crofton realistically expect to see their much-loved lines of silver water filled again from end to end with bustling traffic. Then, perhaps the public and even industrialists, may begin to find it pleasurable, if not actually financially worth while, to forgo the "economies of time" so much stressed last century when "immense pecuniary savings" were foretold with the coming of the railways.

Caroline Hyde, Arthur Sandles and Lyndon McLain.

MONDAY—CBI leaders in talks with team of Ministers on contracts and pay policy. Steel unions meet Mr. Eric Varley, Industry Secretary. Two-day meeting of EEC Agriculture Ministers opens in Brussels. Wholesale price index (Feb.-prov.) Housing starts and completions (Jan.) Hire purchase and other instalment credit business (Jan.) Retail sales (Jan.-final). Sir Derek Ezra, chairman NCB, guest speaker at Coal Industry Society luncheon, Hyde Park Hotel. Mrs. Margaret Thatcher at Ideal Home Exhibition, Olympia.

Economic Diary

by British Steel Corporation on new business venture with U.K. Atomic Energy Authority. Statement by Commission for Local Government in England on new code of practice. EEC Foreign Ministers meet Brussels. U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Feb.). London clearing banks' monthly statement (mid-Feb.).

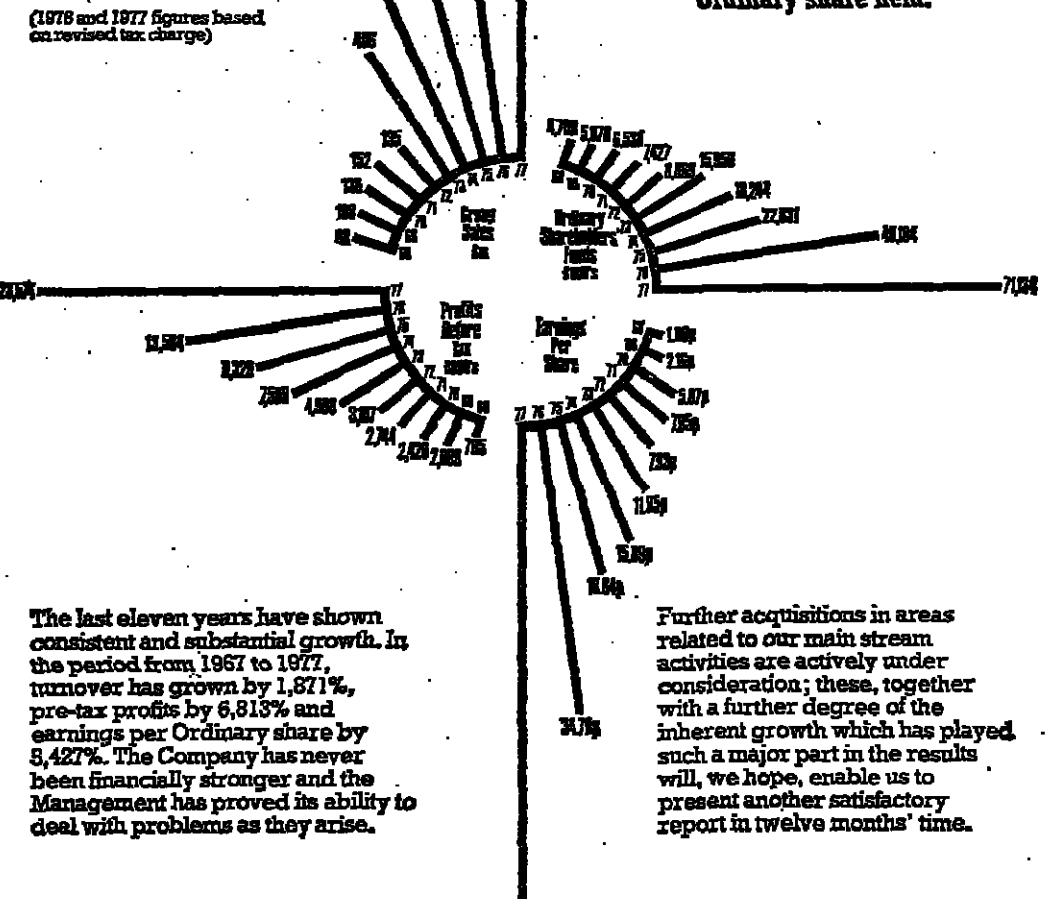
THURSDAY—House of Commons debate reports from Select Committee on Nationalised Industries on British Steel Corporation, National Union of Mineworkers' executive meets. TUC Women's Conference, Scarborough. Central Government financial transactions (including borrowing requirement) (Feb.). Provisional figures of vehicle production (Feb.). FRIDAY—President Tito of Yugoslavia begins two-day official visit to Britain. Building Societies' receipts and loans (Feb.). Usable steel production (Feb.). SATURDAY—Mrs. Margaret Thatcher at Conservative Trade balance of payments (4th qtr). Unionists conference, St. George's Hall, Bradford.

All round growth continues

Profits and Earnings have surpassed all previous records

Sales — up 64% to £1,261,567,000
Profits — up 74% to £23,574,000
Earnings per Ordinary share up 65.6% to 57.48p (1976 and 1977 figures based on revised tax charge)

Dividend — up 25% to 8.25p net per share, covered nearly seven times by earnings.
Scrip Issue proposed of one new Ordinary share for every Ordinary share held.



S&W Berisford Limited

International Food Merchandising, Commodity Trading, Metals and Insurance

Copies of the Annual Report & Accounts for the year ended 30th September, 1977 may be obtained from the Secretary, Berisford House, 50 Mark Lane, London EC3R 7QJ.

COMPANY NEWS+COMMENT

FINFC optimism with qualifications

IF INTEREST rates continue at their present level and the rise in property values becomes firmly established, the second half profitable trend at First National Finance Corporation, this year should be maintained in 1978, Mr. John Glyn, the chairman, tells members.

However, auditors Touche Ross & Co. repeat their strongly qualified report on the accounts warning that withdrawal of the funds available from the support group which at October 31, 1977, amounted to £280m, would make the going-concern basis for the 1977-78 accounts inapplicable. Further substantial under losses might be suffered. Under the reorganisation in 1975 the support group comprises the Bank of England and the Clearing Bank.

For the year to October 31, the group pre-tax loss was cut from £22.1m to £4.8m, following a turnaround to profit of £2.0m in the second half—as reported on January 14.

Mr. Glyn stresses that the improvement must be related to the overall net deficit which now amounts to £6.2m. After deducting this from £30.2m, in respect of the support group's deferred and subordinated loans there is a margin of £17m, Mr. Glyn explains.

Interest is not currently payable for 1976-77 to the support group on these loans but £12.6m interest on income loans now qualifies for payment. This will leave total unpaid interest on all loans of £14.3m, which has been accrued but not compounded.

There was an increase in cash and short term funds at October 31, 1977 of £940,000 (nil) and loans, advances and other assets, advanced to £12.6m. The support group's income loans were £221.0m (£239.0m). The support group's direct loans to the consumer credit division amounted to £101.7m (£102.0m), and support group's income loans were £110.0m (£116.0m). Short-term borrowings and deposits were down at £13.4m (£23.6m).

The directors object for the current year must be to continue repayment of the very large borrowing from the support group and at the same time earn a profit to reduce the profit and loan account deficit, the chairman comments.

Commitments overseas have been considerably cut back and almost total disengagement is hoped for in 1978, Mr. Glyn says. Two of the three directors with interest in the equity reduced their holdings during the year. Mr. L. Maxted's holding at the year end was 196,394 (331,313) and Mr. T. B. Wrigley's holding was 38,411 (438,411). Mr. L. Maxted's direct interest remained at 25,000.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corr. of sp. div.	Total last year	Total this year
Alliance Trust	4.9	May 27	4.75	7.1	6.35
Amal Tin Mines	1.5	April 3	6.8	13	2.51
Bridgewater Estates	4.75	May 10	4.5	7	6.3
Cockburn Cement	1.28	April 29	1.15	1.87	1.68
Trans-Oceanic Trust	1.5	May 3	1.5	5	5

Dividends shown per share not except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Australian cents throughout.

Burroughs Machines tops £13m.

A TURNAROUND from a pre-tax loss of £2.7m to a record profit of £13.1m, was achieved by Burroughs Machines, the Middlesex-based computer and communications equipment subsidiary of Burroughs Corporation, U.S.

Sales climbed from £84.71m to £107.76m. At halfway there was a surplus of £3.6m (£2.1m) which included an exchange gain of £1.03m. The full-time exchange gain amounted to £2.41m.

After tax of £4.74m (£1.5m) and all other charges net profit for the year emerged at £3.4m, compared with a loss of £3.76m.

Brunner Investment

The 16.4 per cent. rise in gross income of Brunner Investment Trust for the year to November 30, 1977, was mainly due to gains in the foreign investment income. Although useful further gains from these sources may be expected in 1978 these are unlikely to be on such a scale as to allow the directors to recommend the same proportionate increase in total dividend for the current year as they did for the year under review when the rise was from 8.8p to 10.3p net.

Announcing this in his annual statement Mr. T. B. Brunner, chairman, goes on to say that during the year the proportion of investments held in the U.S. was substantially reduced. This resulted from the greatly superior performance of the U.K. equity market in 1977. In 1978 he believes it may be the turn of the U.S. market to gather strength but this is unlikely to precede a

revival in confidence in the dollar and the Carter administration. In September the directors arranged a \$US2.5m overdraft facility from Kleinwort Benson and in December this was increased to \$5m. The proceeds of the overdraft are being used primarily to increase the U.S. dollar component of the trust's portfolio at a time when certain U.S. common stocks look attractively valued.

The AGM of the company is to be held at 20, Fenchurch Street, E.C., on March 31 at 12.45.

Alliance Trust expands

ON GROSS revenue higher at £5.87m against £5.48m, Alliance Trust Company expanded after-tax revenue for the year to January 31, 1978, from £3.2m to a peak of £3.78m. After deducting prior charges at par net asset value per 25p share at year end was 25.3p, compared with 23.8p.

Revenue excludes an exceptional tax credit this time of £27.75p equivalent to 0.25p per share. Earnings are stated without this credit at 7.37p (6.86p). The net total dividend is raised to 7.1p (6.63p) with a final dividend of 4.8p. To reduce disparity the directors intend to raise the interim for the current year from 2.2p to 2.3p.

At the similarly managed trust, Second Alliance Trust Company, the Board anticipates that earnings per 25p share for the year to July 31, 1978, will exceed 6.3p, compared with a stated 5.9p last year.

Net asset value of this trust at July 31, 1978, was marginally down at 22.0p (22.1p).

PYE SUBSIDIARY DEFICIENCY

Deficiencies of around £1.5m have been uncovered at Cabinet

Industries, a subsidiary of Pye Industries—its own owned by Philips' Lamp. A statement issued yesterday says that "certain irregularities" have come to light involving an overstatement of assets and other factors, which are being investigated.

While no further details were forthcoming, the Pye Board states that trading of Cabinet Industries— which employs around 300 people in the manufacture of wood-burning stoves, cabinets—is continuing normally.

G. Oliver climbs to £0.55m.

AFTER depressed first half take-earnings of £37,140, against £17,541, through lack of demand, forecast George Oliver Footwear improved in the second six months of 1977 and ended the year ahead from £348,440 to a record £548,440. Sales excluding VAT, were £1.08m, better at £1.05m.

Tax took £305,532 (£299,418) and earnings per 25p share are shown at 6.25p (4.31p). A net final dividend of 1.25p lifts the total to 1.75p (1.06p).

Extraordinary credits this time amounted to £11,189, compared with £24,468.

comment

After the sharp interim setback George Oliver has staged a major comeback, closing the year with months to leave the full year profit ahead by 18 per cent. and at a new full year record. During the first half poor summer weather hit sales.

Mr. Whelan remembers from those days another man who used to be associated with Rovers and Oliver, a man who was in business. He recalls that Mr. Derek Barnes, who became a multi-millionaire through Northern Developments (now owned by used to be on the ground staff.

BIDS AND DEALS

Supermarket chains in £1.1m. merger

A former full back with Blackburn Rovers football club, Mr. David Whelan, is selling his supermarket chain, Whelan Discount Stores, to William Morrison Supermarkets for about £1.1m.

Whelan operates six supermarkets in Lancashire with combined space of 140,000 square feet. The buyer believes it can increase the turnover of the stores by stronger marketing and improve the margins through bigger clout in wholesale purchasing and overhead savings.

Mr. Howard Watkinson, acknowledged yesterday that the timing of the purchase might seem odd in view of the supermarket price war.

Mr. Whelan, who is now a director, takes a more jaundiced view of the supermarket business, believing that the price war is going to get even worse over the next few years. "I can't get enough profit to expand and I don't like to stand still."

He is going to invest part of the proceeds of the sale in a new business, in his sports outfit business. This is a business closer to his heart since he used to play regularly for the club. He is now a member of the club (then was) Blackburn Rovers. But his first hour, playing against Wolverhampton Wanderers in the 1961 Cup final, was somewhat marred by a bad leg.

Mr. Whelan remembers from those days another man who used to be associated with Rovers and Oliver, a man who was in business. He recalls that Mr. Derek Barnes, who became a multi-millionaire through Northern Developments (now owned by used to be on the ground staff.

COLOPHONIUM RAISES OFFER

Colophonium Pty., the company presently bidding for the Sydney-based investment trust London Colophonium Investment Company, has raised its offer from £1.50 to £1.40 a share, and its directors have committed themselves to allowing LAIC's shareholders to retain the final dividend of 5.5p.

The new terms, however, are not expected to impress the LAIC

shareholders, which is to be paid in March.

The new terms, however, are not expected to impress the LAIC

78p per share offer for Anston Holdings

BY ANDREW TAYLOR

Mr. Raymond Stoner is bidding approximately £1.8m, through his privately-owned Clerk's Acre (Hassocks) to gain full control of Brighton-based flats and offices group Anston Holdings, of which he is managing director.

Mr. Stoner already holds a 25.04 per cent. stake in the property company which he started with the current chairman Mr. Claude Pascoe in 1963. Mr. Stoner is bidding 78p a share for Anston Holdings, which was founded in 1972. The bid values the company at around £2.1m. The shares were suspended on December 16, 1977, at 70p.

A large slice of the finance is being provided by Amex Bank, principally in the form of a loan. A spokesman for Amex said yesterday that the other major shareholders on the Board had agreed to support the bid. Earlier indicated their wish to sell their stakes in the company. Mr. Stoner was worried that the company could pass into other hands and he decided to act.

The Board of Anston (excluding Mr. Stoner) and its advisers de Zoete and Bevan are recommending shareholders to accept the bid. The directors intend to accept the offer have been

received from certain directors and other shareholders in respect of 30.79 per cent. of the Anston equity.

If the bid succeeds, the existing directors of Anston, other than Mr. Stoner, will retire without compensation. The offer is conditional upon acceptances being received from not less than 75 per cent. of the shareholders (other than CAH) and acceptances received will be in respect of not less than 90 per cent. of the equity for which the offer is being made.

The Board of Anston, currently holds a 28 per cent. stake in Anston which owns two large office blocks and other property in the Brighton area.

The company which also builds and sells flats earned a pre-tax profit of £151,160 (£147,183) in 1976-77 to produce earnings per 25p share of 2.18p. At the height of the property boom in 1973 the group was earning pre-tax profits of £200,000 and earnings per share were 6.73p.

In addition the company is proposing a scrip issue to reduce the cost of stamp duty liability. Full details of the offer are expected to be sent to shareholders on Monday.

GREEN GROUP SUSPENDED

Shares of Irish cinema operators, Green Group, were suspended at 6.5p yesterday pending publication of a circular. The suspension was not at the company's request.

Green's sale of nearly 6 per cent. of Mills and Allen last October is thought to be the subject of the circular. Mr. T. T. Anderson, chairman of Green Group, announced in November to shareholders that £160,000 profit had been made on the deal. But further details of the sale, coming because of the size of the disposal in relation to Green's total assets.

Shares of Mills and Allen were suspended at the time when Green made the sale. The buyers were Hambros Bank and some directors of Vavasour who received some criticism as a result of the transaction, which was done through at 6.5p per share.

Subsequently the buyers gave done very well and the seller, Green Group, has correspondingly missed an even greater profit than it actually obtained. Yesterday Mills and Allen shares closed at 15.5p.

BLAKEY'S

Centraway yesterday purchased 50,000 shares at 47p in Blakey's (Malibee Castings).

UNIT TRUSTS

Small companies for growth

Time after time unit trust managers point out that there is not a medium for the short-term investor; and for all that the advent of the specialist funds has done something to undermine the argument, for the general funds are going into an investment on a four to five year view, how- ever, needs to be certain of some things: first, that he won't need to sell at a given point in time; and second, that there is underlying growth potential in the vehicles he chooses.

It's the underlying growth potential in small companies that is attracting two of the unit trusts which are advertising this week: M and G's Special, and Cosmopolitan Growth. The former has made a poor start to the current year, but all that really proves is that short-term performance means very little. Going back over six years, it has an extraordinarily consistent record as a strong performer, not quite as consistent as M and G's Recovery, perhaps, but there isn't all that much in it.

As against M and G's Recovery the Special fund does, moreover, have one advantage: it is small itself—only £9m under management. And that means it can put a proportion of its funds into a small capitalisation, without distorting the market in their shares.

You can put capital into M and G's Special at a minimum of £500. The fund is a vehicle for regular saving by way of unit-linked life assurance (a minimum of £10 a month). Those who choose the fund will, however, come to terms with the fact that this is a growth fund, and the shares in which it is invested are not chosen for income: the current estimated gross dividend is 4.8 per cent. As against that the distributed income has increased in every year since the fund was launched, back in 1967.

Those who want to live a little more dangerously might care to look, instead, at Cosmopolitan Growth, whose managers are inviting subscriptions for a minimum of 1,000 units (£178). In this fund, the managers are looking for the longer term return, not anything to write home about: but again, that doesn't prove much for the management of the fund. In this game, when Joseph Sanders moved in on its parent over the 15 months since company. Nowadays the policy is to invest in small companies whose dividends are very fully paid, in the hope that, at the end of the day, the service of dividends is not so much a restraint as it is the saviour of the fund on this fund is not unattractive, at 5.2 per cent.; so obviously, if the managers' predictions prove to be accurate, there is plenty of potential for short-term capital growth.

Given the way that the international funds have started to perform, some investors might prefer to look abroad for growth; and to way.

PILKINGTON STAKE IN FINNISH GLASS MAKER

Pilkington Brothers has acquired 50 per cent. of Lahden Lasitehdas (Lazhi) Finland's sole sheet glass manufacturer for well under £1m, according to the group yesterday. The remaining 50 per cent. has been acquired by The Bank of Helsinki with other Finnish partners.

Pilkington intends that there should be close co-ordination between this new partnership and the AGW's other Scandinavian activities, particularly the flat glass manufacturing company Pilkington Floatglass in Sweden.

The investment in Lahti, whose turnover last financial year ran at around £10m, has received the active support and approval of the Finnish Government.

The investment in Lahti, whose turnover last financial year ran at around £10m, has received the active support and approval of the Finnish Government.

MINING NEWS

Fiji copper venture nears new phase

BY KENNETH MARSTON, MINING EDITOR

WHILE copper prices have weakened to levels uneconomic for most world producers and investment similar to the vestment in new projects has virtually dried up, exploration in Fiji continues at the big Namoi porphyry copper prospect, 25 would also require to be worked miles north-west of Suva on Viti Levu Island in Fiji.

In Suva yesterday the Fiji Minister for Lands and Mineral Resources, announced that two members of the Namoi consortium, Gaudin Riofina of Australia and West Germany's Dresser, had exercised their options for the second stage of the prospect. They are now committed to spend \$5.5m (£2.5m) on possible sampling, engineering and feasibility studies.

Subsidiaries of Dresser and CRA joined the consortium in late 1976 and mid-1977, respectively. The consortium now comprises Ammax with a stake of 25.2 per cent. (including an indirect interest of 1.9 per cent. held by the Emperor Gold Mining); Dresser 25.1 per cent.; and CRA 24.4 per cent. The exploration programme is being operated by Ammax's RST (Fiji).

The programme has been completed over 15,000 metres of reverse circulation drilling on the property with results sufficiently encouraging to warrant continuing evaluation of the prospect. The Minister stated. Members of the consortium plan to meet in Fiji shortly to discuss details of the second phase evaluation. So far they have spent \$2m on the prospect.

Australian Anglo American started the exploration in 1968 and Ammax came in 1972. The deposit appears to be

them Garmore is recommending its American Trust. Unlike Eastern and European, however, the U.S. has started to perform and always the chance that they get worse before they get better. So this is a fund for those who want capital growth over longer term.

Garmore's argument is that time to buy is when share prices are low, not when they are high; and it's an argument. Freddy Lawson of I Securities has picked up backed with a 70-year-old son, as true today as it was from Charles Dow, the founder of the Dow Jones Average. I itself is inviting application week for its Raw Material General Trust.

The general case for common investment is discussed on page 7, but the Lawson being only two years old, included in the table. It has said, however, that this has been a good performer with the units increasing in 47 per cent. over the months of existence. At 7 cent., the yield is well above the minimum investment of \$400.

Anyone looking for a should, however, consider Schenker Extra Income, a unit trust which has after 10.4 per cent., and since an all-equity fund that is expected to grow, the yield is well above the minimum investment of \$400.

That yield compares well with the 10.08 per cent. currently available on the in portfolio of the Money Mail Service run by Manchester by Charlton Seal Dimmock—it that in turn, of course, comes well with the yield now available from a building society. Money Manager Service originally set up for those on the rates were looking for a short-term gain by way of investment in short-dated gilts; and the exactly the sort of clientele which its Capital portfolio

It aims to take the subtle element out of the choice of short-dated stock, by the us again, that doesn't prove much for the management of the fund. In this game, when Joseph Sanders moved in on its parent over the 15 months since company. Nowadays the policy is to invest in small companies whose dividends are very fully paid, in the hope that, at the end of the day, the service of dividends is not so much a restraint as it is the saviour of the fund on this fund is not unattractive, at 5.2 per cent.; so obviously, if the managers' predictions prove to be accurate, there is plenty of potential for short-term capital growth.

Sylvite sale boost to Hudbay profit

DESPITE a fourth quarter loss of \$599,000 (£276,600), the American Corporation group Canadian Hudson Bay Mining and Smelting has reported a 1977 before extraordinary item of \$4.41m, or 44 cents (20p) per share. This compares with \$3.2m, or 28 cents per share in 1976.

The extraordinary item on latest occasion reflects a \$2,025,000 gain on the sale of 8,000 tonnes of sylvite potash division. The Potash Corporation of Saskatchewan. It brings total earnings for 1977 to \$5,990,000, or \$5.84 per share. There was, however, after debiting extraordinary items, of \$5,235,000, or \$5.10 per share.

As already announced, Hudson has omitted its last quarterly dividend declaration. The company points out that base metal markets remained depressed last year and there was a weakening in fertilizer markets in the second half. This factors largely offset the improvement in the company's oil and gas subsidiaries.

Brokers set up options clearing agency

Two firms of stockbrokers, subject to the consent of the Stock Exchange Council, Options Clearing Agency, will record trades for brokers and produce a daily list, and will set up and maintain a position in option series and class. The positions will be monitored daily and Options Clearing will have extensive computer equipment.

QUEENS MOAT

The latest addition to the Queens Moat Houses group, the 100-bedroom Hertfordshire House at St. Albans, opened on Monday.

Group turnover will rise by about £1.5m as a result of the additional of the Hertfordshire House and of two others from its two owners and will offer a confidential service to other Hotel, Elstree, leased in August and the Hampshire Moat House, which are added in September.

Brixton Estate arranges further £5m. loan

TO ENABLE it to take advantage of opportunities for property development and investment, particularly in the industrial sector, Brixton Estate has arranged a further £5m. loan facility with Royal Insurance.

As with the existing arrangement Royal has been granted options over new Brixton Ordinary shares. Assuming full exercise of options under all agreements and together with shares Royal already holds, Royal would then have a stake of some 12.6 per cent. in the Brixton equity and the Royal Insurance Group Pension Scheme would have some 2.6 per cent. At present all options remain unexercised.

The directors say that this new facility will assist Brixton to continue its policy of developing first class industrial and commercial property at a time when prospects for this type of investment are improving.

Under the new facility Royal will make available to Brixton a 15-year secured loan facility of up to £5m, which may be drawn down over five years. The rate of interest will be 1 per cent. less than the gross redemption yield of 11 per cent. Treasury stock 1981 at the date of Royal receiving notice of each drawing.

As part of the terms Royal will be granted options over new Ordinary shares in Brixton at the rate of 25 for each £100 of loan drawn down. The subscription price of 104p per share. The options will remain open for 15 years from the date of the drawing to which the options relate.

Royal intends to allocate £1m of this new facility and consequently

quent options to the Royal Insurance Group Pension Scheme.

The facility is subject to holders' approval at an EGM of Brixton (notice of which will be sent shortly) and at which an increase in Brixton's authorised capital will be proposed.

Under an existing arrangement Royal has already provided a loan of £5m, under which it has been granted options over 1,375,000 new Ordinary shares at 74.54p per share.

The maximum number of new shares over which options can be granted under the new facility is 1,250,000 shares.

Royal currently holds 2,437,689 Ordinary shares in Brixton so that, assuming full exercise of options under the existing loan agreement and options for 1m.

shares under the new facility it will then hold 4,122,689 Ordinary shares—some 12.6 per cent. of the Ordinary capital of Brixton.

The Royal Pension Fund currently holds 804,327 Ordinary shares in Brixton, assuming full exercise of the options for 250,000 shares under the new facility, it will then hold 1,054,327 Ordinary shares—some 2.76 per cent. of the Ordinary capital of Brixton.

Clerical, Medical and General Life Assurance Society, which at present holds 8,235,977 Ordinary shares in Brixton (some 23.16 per cent. of the issued Ordinary capital), has been informed of the negotiations with Royal and has indicated its intention to vote in favour of the loan facility and the increase in authorised capital at the meeting.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Results due next week

Heading next week's list of company results are Anglo-Dutch giants, Royal Dutch-Shell and Unilever. Also due is Midland Bank—the last of the major U.K. clearers in report. In addition BTR, record changer group, and high street retailer Woolworth, all due to announce figures.

Royal Dutch-Shell's full year figures due on Thursday are expected to show net income, excluding FAS 8 adjustments, of £1,430m, for 1977, compared with £1,310m. The FAS 8 currency adjustment could amount to a debit for the year of 200m. But the successive deterioration in the previous three quarters could have been halted. Net income before the FAS 8 adjustment could come out at around £230m for the final three months, after £47m, £240m, and £314m, in the previous three quarters. And the FAS 8 adjustment could be a debit for the fourth quarter. The bad winter is expected to have given a fillip to natural gas profits. However, the weak commercial market, and the badly depressed tanker business will have pegged the full year advance in net income to under 4 per cent.

Unilever's full year results are due on Tuesday and the market has rather mixed views as to how far the group's profits may have slipped. Current forecasts range

from £345m to £360m, compared with the £302m. Unilever earned in the previous year. Since then the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due on Wednesday. However, the general picture of record sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Company	Announced	Dividend (p)	Dividend (p)	Dividend (p)
Anglo-Dutch	1.13	1.03	1.03	1.03
Unilever	1.13	1.03	1.03	1.03
Midland Bank	1.13	1.03	1.03	1.03

FILL IN THE POOLS COUPON.

And send it off for our colour brochure to find out about our superb range of quality swimming pools at sensible prices.

Please send me to: Fernden Swimming Pools,
800 Oxford Avenue, Slough, Bucks SL1 4LN. Tel: Slough 22261.

Name _____
Address _____
Tel. No. _____

Fernden
The pools people.

Save your resources with the SOLARCOVER POOL BLANKET

from Sealed Air International Corporation

- Raises water temperature in season by 10-15 degrees
- Reduces energy consumption by up to 75 per cent
- Reduces chemical loss and helps keep pool clean
- Prevents major evaporation of pool water

Sealed Air International Corporation
Telford Way-Kettering-Northants-England
Tel: Kettering (0536) 517333

POOL DOME

POOL DOME takes the uncertainty out of swimming. Children can be guaranteed and those late night swims on cool evenings can be a pleasure, rather than a chilling experience.

- Attractive in any setting
- Longer swimming season
- Zip access doors
- Easy to erect and dismantle
- Low running cost
- Finest quality vinyl material

POOL DOME - Telephone: Kingsclere (0635) 238441
RIVERSIDE COTTAGE, ECCLESWELL, NEWBURY, BERKS.

SWIMMING POOLS

☆ BUYER'S GUIDE

Brighter year ahead

BY ARTHUR SANDLES

SEVERAL factors have made the swimming pool industry feel a bit more cheerful this year in anticipation of a livelier market than has been the case recently. Topping the list is the way in which the property market gives every appearance of being on the move again. Whether or not a swimming pool dramatically affects the value of your property is arguable, and fiercely argued, but certainly while the house market was stagnant investment in a pool was faced with yet another question mark.

Another factor bringing faint smiles back on to the faces of pool producers and equipment suppliers is the slight improvement in financial optimism in the U.K. More people seem willing to reach for their cheque books than might have been the case two years ago.

Fortunately for purchasers the lean years that the business has seen of late has thinned the ranks of suppliers somewhat. Traditionally it is an industry which attracts here-to-day-gone-to-morrow operators, much to the irritation of the large corps of reliable companies, and the poor years have taken their toll of the weaker brethren.

However, buyers should still beware of the seemingly amiable chap who knocks at the door and offers to build a swimming pool. It is a highly specialised business which requires considerable experience and expertise. There is no particular reason why this experience should be gained at your expense. Mistakes in pool construction are dauntingly expensive to correct, even if such correction is possible.

It is impossible to give any sort of sensible guide to the cost of a pool. A simple plastic above-the-ground affair may only carry a price tag of a few hundred pounds, while something elaborate will cost several thousands. None the less, as with most products, the customer who sticks closest to the standard range is likely to be the one with the least financial shocks. Freeform pools may appear very glamorous, but they can involve you in additional design and construction costs.



The other factor against being too fanciful in the design of your pool is its resale value. A future house-buyer may actually be put off by the odd-shaped pool which so much took your fancy on the design board. Straightforward rectangular pools seem to have the purchase edge when it comes to resale potential.

Even in choosing such a pool you should still spend a great deal of time thinking about its future use before signing on the dotted line. Factors such as depth or width are of rather more than decorative importance.

For example, most adults, even non-swimmers, like a decent area of water between 3½ and 5 ft. for splashing around in, and all too often a pool designer will plunge you too quickly from a children's area

to a diving basin. If you intend having a diving board then it is unlikely that you will want to risk much less than 9 ft. water depth under it and a good mix of deep water before the shallows start.

Again, for resale purposes, even if you do not intend diving, the provision of sufficient depth may be a telling point if keen swimmers are looking at your property. Remember that the higher the board you intend having the greater the depth you will require, and a great length of recovery water.

Something else that purchasers often overlook is the need for coping and decking around a pool, which considerably increases not only the space required but also the visual impact of the pool. A covering the water itself to prevent heat loss when the pool is not in use.

All too often pools are constructed which dominate the garden area rather than providing a focal feature.

It has been interesting to see how lately British pool producers and equipment makers have been making greater and greater concessions to our weather and to the costs of fuel. It is very tempting when you first have a pool to keep the temperature of the water up to comfortably near boiling. Unfortunately, such enthusiasm for warmth tends to wane when the first gas/oil bills come in. There are, however, a variety of systems for both enclosing pools (including one which supports a bubble over the pool with gentle air pressure and requires no structural support) and for the water itself to prevent heat loss when the pool is not in use.

Making a choice

ANYONE deciding to invest in a pool is likely to need all their enthusiasm to carry them through even the first wave of technical facts and figures which suppliers are likely to throw at them. The consumer, eager only to have his pool ready for family and friends by the first warm day of Spring, should bear in mind two factors—whatever the technology

the pool has to be strong enough to hold several tons of water for several years, and yet withstand pressure from outside when it is empty and "floating."

It is absolutely essential that the pool installer knows something about the ground he is building on and is confident about the strength of the foundations. There are many who will tell you, with some conviction, that the most important part of swimming pool construction is the hole into which the thing goes.

The type of soil you have can seriously affect your costs. Very wet conditions, or the presence of some underground stream, rock and sand can all bring trouble to the builder, along with the more predictable worries of finding out where the mains supplies and drains run through your garden and discovering whether you can actually get a suitably sized earth mover into your site.

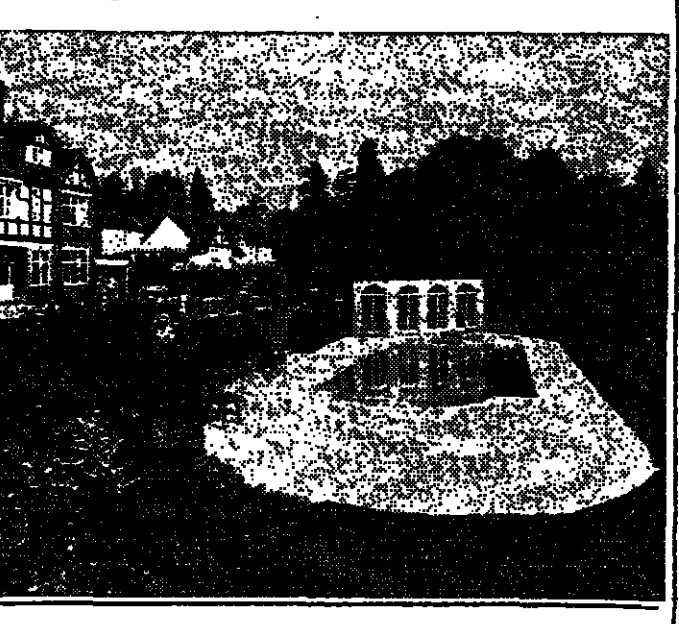
I once saw a swimming pool built in Chelsea which needed every shovelfull of soil to be carried out, by bucket, through the little, but highly priced, terraced house behind which it was being constructed. Your pool supplier is likely to offer one of four types of pool—concrete, plastic, fibreglass and metal—and really all of them have arguments in their favour. The concrete pool comes in a variety of forms. Gunite is a system of firing very dry cement and around steel reinforcing rods and normally directly to the soil. The cement is literally shot from a special gun and has the advantage of considerable

flexibility in pool design and in the speed with which the material hardens. The pool shell is later hand finished. Poured concrete, either into forms or against masonry, is still used, and these two allow you to exercise your whims over the pool design.

● Metal, either steel or aluminium, is increasingly used. The advantage here is the considerable natural strength of the materials and therefore they are particularly employed where site conditions make other materials difficult to employ or expensive. Both can be used for larger above-the-ground pools. Obviously you normally have to choose a pool shape from a standard range. These pools will normally be lined with:

● Vinyl, one of the most favoured mediums for those who are determined to construct a do-it-yourself pool. Vinyl's attraction is that the pool wall does not have to be completely waterproof. It does, however, need to be free of the sort of cracks or projections which might wear the lining.

● Fibreglass has tended to be used for the smaller pool. Its advantage is lack of maintenance. Even the colour can be built in right through the pool materials. Many of the pools offered on the British market today are fibreglass with vinyl liners. Early fibreglass pools suffered from problems resulting from ground stresses and from chemical reactions, but these have been overcome and reputable manufacturers will ensure that you have a stable pool with an impressively long life.



PINELOG POOLS

If you have ever considered a pool then been discouraged by thoughts of excavation problems, the mess it will all cause, future house moves, or quite simply, cost, then what you are really looking for is the entirely new conception embodied in a PineLog Pool. Easily assembled, semi-inground, its self-supporting walls are suitable for any site, natural pine blending attractively into natural surroundings. From £1500: SAUNAS, LOG CABINS, POOL HALLS, GUEST CHALETs.

PineLog Products Ltd., Dept. 11, Riverside Works, Bolewell, Derbyshire DE6 1GL. Tel: (077) 082-981/2 2301/2.

BOYSPAN AIRDOMES AND POOL

both can be zero rated if purchased simultaneously*

* VAT copy letter available from manufacturers

Boyspan translucent polythene airdomes retelling at average of only £400 to £700 (tailor made for large municipal domestic school pools and other sports halls or warehousing areas). Boyspan has already installed over 600 domes which are creating new fashions for warmth and cleanliness in long season swimming at low cost effectiveness. Extremely strong membranes thorough tested for fire—high winds—UV degradation to provide 5 to year life. National after sales service and advice covering supply, fail-safe stand-by generating set and heating equipment.

Consult your swimming pool installer or write direct to: (Enclosing a S.A.E.)

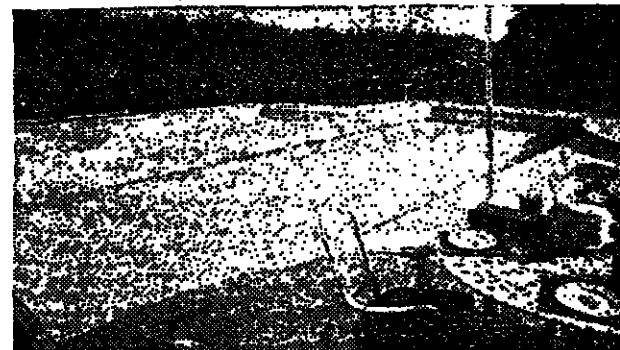
BOYSPAN PARTNERS (SALES LIMITED),
43 Walsingham Road, Hove, Sussex.
Tel: Brighton (0273) 721170

or
BOYSPAN INTERNATIONAL LIMITED,
Richmond Road, Ilstock, Leicester.
Tel: Ilstock 60616

GOLD MEDAL WINNERS

Large pools, small pools, concrete or prefabricated, simple or intricate, difficult or easy, indoor or outdoor, home or overseas

Always provided you want the best
Chemicals, servicing, renovations, Saunas, Solarium, etc.



aquarius swimming pools

5a Prospect Street, Caversham, Reading
Berkshire RG4 8JB
Telephone: Reading (STD 0734) 478405

THE BISHOP

GROUP OF COMPANIES

We offer a complete swimming pool service from design to construction including all landscape works

BISHOP HOUSE • BATH ROAD
TAPLOW • MAIDENHEAD
BERKS • SL6 0NY
BURNHAM 4444 (10 lines)

Please send for coloured brochure

CAPITAL HOW TO SAVE ON INSTALLING YOUR GARDEN SWIMMING POOL

Member of SPATA

CAPITAL, leading distributors over 1 years, supply complete "Pool-Pak" kits, covers, pumps, filters, heaters, chemicals, hoses, etc. from around £1000 inc. VAT & call for free quote the hole! Easy to install. CAPITAL supply individual items, accessories, chemicals. Ask for FREE brochure.

CAPITAL SWIMMING POOLS LTD.

The Bury Farm, Pednor Road, Chesham, Bucks. HP5 2JX. Chesham 728914

TANBY SWIMMING POOLS

(S.P.A.I.A.) now add "family fun" pool to their range of concrete pools. Full details—write or phone Frant Station, Tunbridge Wells. Frant 456 (5 lines).

Croda Paints Ltd

Croda Paints are the leading suppliers of swimming pool materials both solvent borne: Regalacolor and water borne: Hydroprene. Free technical advice and site visits available at short notice.

Croda Paints Ltd,
Park Lane, Harfield
Huddersfield W19 6HQ

Solar Heating

FOR SWIMMING POOLS
Specialists in solar heating systems for swimming pools. Free technical advice and site visits available at short notice.

Robinsons
Chemical Engineering Limited
Walsingham Road, Walsingham, Norfolk NR21 1JF

Why are we Britain's No. 1 in client's satisfaction?

Highest quality, lowest price. Designed, constructed, maintained by the most competitive swimming pool company.

Write or phone to day: SURREY SWIM POOLS LTD.

3 Headley Road
Headley, Surrey GU27 4LE.
(STD 043 873) 6410/4441

COVERING THE NORTH MIDLANDS, CENTRAL ENGLAND, NORTH ENGLAND AND ALL SCOTLAND

PAKPOOLS OF HULL

Pakpool Home, Manchester Street, Hull, North Humberside. Tel: (0482) 2725 24-hour service. Tel: 2725 24-hour service. SUPPLY & INSTALLATION OF ANY TYPE OF SWIMMING POOL, ETC.

For free colour brochure on

Saunas

For free colour brochure on Saunas, contact: Nordic, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200.

NORDIC

LANGLEY'S

Ceramic Tiles

for Swimming Pools

If you are planning a swimming pool, anywhere in the United Kingdom, write for details of Langley's fine ceramic tiles for your pool and surrounding.

LANGLEY LONDON LIMITED

THE TILE CENTRE

111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200.

ALL SWIM LTD.

for all types of pools and D.I.Y. Kits & Pool Chemicals.

11 Crwys Rd., Cardiff.

Tel: 41 884 or

Mill Lane, Blackpill, Swansea.

Tel: 61941.

FOR THE FINEST SWIMMING POOLS

FILTRATION CHEMICALS AND SELF BUILD SCHEME

Rutherford

BATTLE SUSSEX ENGLAND BATTLE 224

A POOL FOR '78

PAS of Woking can design and build a pool tailored to your needs and price with first class service back-up. Ring us today.

POOL ADVISORY SERVICES

EGLEY ROAD WORKING SURRY

TEL: Woking 66254

Pacemaker

for MARSLINE ready mixed waterproofed

PACIFITE high quality acrylic pool

paint. PACIFITE ready mixed that

aggregates/leaves/ready for use.

coloured, easily applied paving for

pool and garden surrounds.

P.O. BOX 700, EYNSHAM, OXFORD

TEL: 880117.

PENGUIN



beautiful pools all over Britain

Why is Penguin the top name in swimming pools? Simply because over 19 years of building thousands of pools throughout the U.K. has given them reliability and dependability.

Buying a Penguin Pool is the best investment you will ever make.

A Penguin Pool is a top quality product built throughout Great Britain and many places abroad by the same patented methods of construction and using the same specialist equipment—locally by our own teams and beyond by specialist trained area builders.

All Penguin Pools are constructed of vibrated reinforced concrete with a terrazzo marble or glazed mosaic tiled finish and incorporate our labour-saving Blue-Ripple filtration and heating systems.

DO-IT-YOURSELF KITS AVAILABLE

PENGUIN

THE GREATEST NAME IN QUALITY SWIMMING POOLS

Five Trees Works, Bakers Lane, Galleywood, Chelmsford, Essex, England
Telephone: Stock (0277) 840711 (12 lines) Telex: 99301

National Group Builders — Ask for Free Brochure

PENGUIN (SOMERSET & ADJACENT)
Helford Brothers Ltd,
Chewton Mendip 208

PENGUIN (ISLE OF MAN)
Bonto Limited
Ramsey 812911

PENGUIN (DEVON & CORNWALL),
Swimming Pools (SW)
Plymouth 20709/52560

PENGUIN (SOUTH WALES)
Raymond Davies,
Swansea 71479

PENGUIN (YORKS & N. EAST)
Allisons (Leisure) Ltd,
Pocklington 2001

PENGUIN (HANTS, ISLE OF W.,
W. SUSSEX) Alan Evans,
Cosham 74570

PENGUIN (CENTRAL MIDLANDS)
T I Smith (Swadincote)
Burton on Trent 216932

PENGUIN (Lincs & E. MIDLANDS)
Charles Payne,
Grimsby 851348

PENGUIN (LANCS & N. WEST)
Wim Taylor (Swimming Pools) Ltd,
Preston 612047

PENGUIN (DORSET & HANTS)
Jack Winstone-Group,
Chandlers Ford 67111

PENGUIN (N.W. MIDLANDS &
N. WALES)
Ruddock & Brown (Recreation) Ltd,
Cheshire Northwich 6056/6155

PENGUIN (CHANNEL ISLANDS)
Graham Ogier Ltd,
Guernsey (0481) 64018

مكزامن التحصيل

Landesbanks: restoring a tarnished image

BY GUY HAWTIN in Frankfurt

THE AMAZING thing about the West German Landesbanks, an American banker once remarked to me, "is their ability to lose huge sums of money and still survive."

This somewhat jaundiced comment encapsulates the attitude of many foreign observers of the Federal Republic's most powerful banking sectors. Similar views can often be heard from German private bankers—only the amazement is missing.

Certainly, the Landesbanks have provided the banking immunity with plenty of help in recent years. Hesse's Landesbank's shareholders have had to write off losses amounting to well over DM2bn. after a series of failed deals in the first half of the decade. The prestige of the West-Deutsche Landesbank, the Federal Republic's third largest bank in balance-sheet terms, had scarcely recovered from the 1974 foreign exchange losses, when it was rocked by a political slanging match following the resignation of Herr Ludwig Poullain, its architect and chief executive.

Herr Poullain, the man who is widely held to be the most powerful figure in the international market, gave up his post after accusations that he had behaved improperly in accepting an advisory contract on a property concern which later went bankrupt. He defended himself vigorously and the row that ensued, culled, among other things, the resignation of the finance Minister of North Rhine-Westphalia.

The Landesbanks' primary function is to collect and re-employ the surplus liquidity of the public authority-owned savings banks. Some Landesbanks so act as central banks to their individual federal states and some act as central clearing houses for the Giro. While all of them have local or state politicians on their supervisory boards, not all have their equity split between the state and the savings banks.

West Germany, unlike Britain or the U.S., has a universal banking system. Investment banking is not separated by law from the commercial side of the business and, therefore, German banks usually offer the whole gamut of services under one roof. The Landesbanks and their savings bank shareholders compete actively for business with the commercial banks and the large co-operative banking sector.

A series of unhappy investments has brought Hesse's Landesbank not only financial problems but some hostile political attention. Andrew Hargrave, Frankfurt Correspondent, examines the events and attitudes which have brought about...

Hessische's blighted dreams

THE REPERCUSSIONS OF THE POULLAIN AFFAIR

Questions on the Landesbanks' role

THE FINANCIAL TIMES

Westdeutsche puts exchange loss at Dm270m

Hessische President resigns after acquisition problems

THE FINANCIAL TIMES

Poullain row likely to go to courts

THE FINANCIAL TIMES

Growth—at almost any price

By any yardstick they are very large banks indeed. The West-Deutsche Landesbank has a balance sheet total of over DM75bn, while the Bayerische Landesbank Girozentrale boasts total assets of DM55bn. Hesse's Landesbank's total assets amount to DM40bn, and even the seventh largest in the league, Badische Kommunale Landesbank Girozentrale, has total assets of more than DM15bn.

It was not until the mid-to-late 1980s that the Landesbanks became in any way controversial. Before then they were very much concerned with their domestic business and played a particularly strong role in the post-war reconstruction of German industry. They were far better placed than the commercial banks, for instance, to finance the various sections of pre-war industrial empires, such as Krupp and I.G. Farben, split up by the victorious allies at the war's end. Nobody had much idea of what effect the industrial dispersal would have on the sundered companies and the commercial banks had neither the same access to long-term funds nor the ability to shoulder the bulk of the unknown and unassessable risks involved in such projects.

If the West German commercial banks came relatively late into the post-war international arena, the Landesbanks were even later. They were, to use the old metaphor, the sleeping giants of the industry. But when they did enter the market, it was apparent that the large

business and, naturally, were soon advancing loans to German exporters. As the "economic miracle" got under way, and the deutschemark regained convertibility, the Landesbanks found themselves more and more in the business of financing foreign imports for specific deals with West German companies.

"German companies would point out to us that the loans they took out would, in effect, be passed on to a foreign importer and that they were businessmen and not bankers. The logical thing of course was for us to do the business direct and save our German client the paperwork," said Dr. Sippel.

Dr. Walter Seipp, deputy chief executive of West-Deutsche Landesbank and head of its foreign operation, put it more bluntly: "The size of the market was such that no bank could ignore it." Dr. Hans Peter Lins, who is in charge of the Bayerische Landesbank's foreign business, suggested that, although the municipally owned

savings banks had a large slice of Germany's savings business, they had a much smaller share of the industrial lending business and the Landesbanks had a duty to see that their sector had a proportional interest in Germany's foreign business.

If the move into overseas business was a natural and pragmatic development, rather than a valiant rush into an area of massive potential profits, why the high losses reported by some of the banks in recent years? Dr. Lins pointed out that the West-Deutsche Landesbank's foreign exchange losses happened under unusual circumstances that could have affected almost any bank, while Hesse's massive write-offs were almost entirely attributable to domestic market operations.

Certainly many bankers in the private sector would hotly dispute that the circumstances of the West-Deutsche Landesbank's foreign exchange losses could have arisen in their banks. However, it should be pointed out that they resulted from an attempt by a senior member of the staff to recoup foreign exchange losses by further speculation—circumstances not without historical precedent.

Many private bankers contend that the losses arose because of the relative lack of experience of the Landesbanks in new areas of operation. Dr. Seipp pointed out that at the time that the West-Deutsche's losses occurred no bank had had enough experience in dealing with a wildly fluctuating foreign exchange market. "The foreign exchange business is a negative business in that your profit is always another man's loss. The business is, of course, essential if you want to offer clients the full range of foreign services and I can say, that since 1974 the West-Deutsche has not lost a penny in its foreign exchange business."

What of the Hessische Landesbank's loss in the property market? Dr. Sippel pointed out that the savings banks and the industrial lending business and the Landesbanks have always been in the property business. Financing local development through their building societies has for long been a primary obligation of the savings banks, the leading shareholders in the Landesbanks.

However, he agreed that during the property boom of the late 1960s and early 1970s their normally conservative specialisation in property abandoned their normal caution. Many commercial banks behaved in the same way, he said. Some of the Hessische's property losses were so spectacular that they will never be recovered, but said Dr. Sippel, a large proportion of them looked not half so bad now as at the end of 1974. A property portfolio could not be looked upon as a purely short-term investment.



Dr. Heinz Sippel—head of the Hessische Landesbank.



Dr. Walter Seipp—deputy chief executive of the West-Deutsche Landesbank.

figure in the supervisory Board's decisions. These, he said, were made on strictly commercial considerations.

Dr. Sippel said that he had never suffered from political pressure at Board level and that nobody had asked him his politics when he was asked to take up the job. He also has the right of vetoing the supervisory Board's appointments to the management.

Shareholders, however, have rights, as Dr. Sippel has pointed out. While 60,000 shareholders in a commercial bank could do very little to assert themselves—thus effectively putting total management power in the hands of the executive board—the two blocks dominating Landesbanks' supervisory boards meant that shareholders could exert far more influence. The Landesbanks' supervisory boards, because of their nature, were much more open than those of the commercial banks. The public's "right to know" meant that the Landesbanks had not the same chance to hide their errors as the commercial banks.

But the politicians are not without influence. One leading banker at a smaller Landesbank told me that the local majors on his Board were not so keen on expenditure to develop foreign business as the directors from the savings banks. Dr. Sippel said that politicians were, naturally, interested in developing depressed areas within their State but if risks could not be justified commercially, then the State Government would be asked to issue a guarantee.

The crux of the question, however, is whether the "Poullain Affair," coupled with past mistakes, will mean a change in direction for the Landesbanks. The answer is almost certainly that the present course will be maintained. If nothing else, market forces dictate that the Landesbanks will retain their growing interest in foreign business. The domestic industrial lending business remains slack with little hope of major improvement this year. Consumer credit demand may well pick up further, but this is unlikely to change the Landesbanks' overseas business policy.

Dr. Seipp emphasised that the West-Deutsche's policy remained unchanged, although the rate of expansion was bound to fall off as the foreign business base grew.

YOU LOOK TIRED.

Take a Boeing Holiday.

Almost every minute of every day there's a Boeing jetliner going somewhere. To sunshine. Good food. Good friends. And good times. Call your travel agent or your airline and say "I've had it. I'm going where the sun is shining." **BOEING** Getting people together.

A FINANCIAL TIMES CONFERENCE ON

THE MEADE REPORT

Hotel Inter-Continental, London

APRIL 6-7 1978

The Financial Times, in association with the Institute for Fiscal Studies, is organising a conference on the Meade Report at the Hotel Inter-Continental, London on April 6 and 7.

Professor J. E. Meade, Chairman of the committee which produced the report "The Structure and Reform of Direct Taxation", and the deputy Chairman Mr. D. J. Ironside together with their colleagues, as well as Mr. Dick Taverne, Q.C., Director of the Institute, will be explaining the proposals and giving answers to the comments that will be made on them.

City, industrial and trades unions' views on the Meade Report will be presented from their individual standpoints by leading speakers from these areas.

The conference will allow substantial opportunity for questions and discussion.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

To be completed and returned to:

The Financial Times Limited, Conference Organisation
Bracken House, 10 Cannon Street, London EC4P 4BY
Telephone 01-236 4382 Telex: 27347 FT Conf G

Please send me further details of THE MEADE REPORT CONFERENCE

Name.....
BLOCK CAPITALS PLEASE

Title.....

Company.....

Address.....

V-and W dividend rate cut

CANADA
HAMBURG, March 3
The V-and W group, West Germany's largest regional bank, has announced a dividend rate cut from 10.1 per cent to 9.1 per cent (DM9.1m). The dividend rate is cut from DM10.0m on shares of DM10.0m.

V-and W is the first among the major listed banks to report its results and usually provides a review of what to expect from the Frankfurt "Big Three". The report, including the dividend recommendation, is much as expected, incorporating total assets of 17.2 per cent to DM7.34bn, a good third of that increase to takeovers and a 15 per cent rise in operating income.

Management Board members Joachim Bechtold noted the effects of Germany's corporate law, which retained profits, the 1977 dividend, for the 1977 shareholders would be DM1.06 (up 41 per cent) including an associated tax credit. The figure for distributed profit is down from DM17.9m. DM17.9m retained earnings would be 73 per cent higher DM10m.

Herr Bechtold commented on the need to keep a strong equity base in these uncertain economic times. Outside observers were interested in the apparent inability in dividend policy. V-and W's figures seem to indicate Deutsche Bank and others have already signalled that they may cut the cash dividend by only DM0.50 to DM0.50.

KSH seeks to suspend payment

AMSTERDAM, March 3.
THE TROUBLED starch and foodstuffs group, Royal Schell-Hong (KSH), has asked to be allowed to suspend payments following the withdrawal of the Government guarantee to make up losses from February. The manager appointed to supervise the restructuring of KSH, Mr. R. F. van Heusden, has resigned in protest at the Government decision. The company's shares were to-day suspended on the Amsterdam Stock Exchange.

Mr. van Heusden, a former director of the trading group, took over the reorganisation of KSH last September after Dr. W. H. Hoogstraal, the company chairman, resigned.

The Ministry of Agriculture earlier said it was ready to extend for two months the initial grace period, running to February 10, for KSH to produce a restructuring plan within that time. Talks with a number of KSH companies interested in the takeover of KSH's business have since been difficult over the price to be paid.

KSH's 1977-78 financial year closed on Thursday at a loss following the release of provisional

Pressure to save Sardinia project

ROME, March 3.
THE COLLAPSE of a 400m. Anglo-Italian project in Sardinia, involving British Petroleum and ANIC, the Italian chemicals company, could be reversed if the Italian authorities give an early and definitive ruling permitting the production of a commercial scale of Bioproducts for animal feed.

It is at present negotiating with a number of American, as well as Dutch, companies which are interested in acquiring parts of its business although none of these discussions has yet led to an agreement.

The sluggish level of world demand has meant KSH's major customers, the paper and textile industries, were working at low levels. The company's losses have also led to an increase in interest charges. KSH attempted to diversify into high fructose syrups just before changes in EEC regulation made this unfeasible. It has also had high costs to meet more stringent environmental controls.

Commonwealth Oil files under Chapter Eleven

NEW YORK, March 3.
COMMONWEALTH Oil Refining's year-long battle to avoid bankruptcy came to an end last night when the company filed for protection under Chapter 11 of the U.S. bankruptcy laws. The company, which had assets of over \$100m in 1976 and owes banks and other creditors \$300m, is one of the largest U.S. corporations to fail, ranking alongside Penn Central Railway and stores group W. T. Grant as a corporate casualty.

The company owns and operates a large refinery on the island of Puerto Rico. With no crude supplies of its own, it was particularly vulnerable to the rise in the price of oil in 1974, and has been incurring heavy losses since then. The company has also claimed that it has been victimised by government regulations in the U.S. and Puerto Rico have adversely affected its operations.

Another problem has been the rivalry among senior management and litigation between the company and a shareholder.

Since May of last year, Corco has been staying off bankruptcy, initially with the help of Ashland Oil which for several months negotiated to take over the company last November. However, Ashland broke off formal negotiations and last month a supply contract under which Ashland provided Corco with crude oil expired. Since then, the company has been surviving on a day-to-day borrowing arrangement with its banks.

Mr. Gary W. Davis, the company's president, said that Corco was trying to work out a plan in a short period of time which he hoped would enable the company to be discharged from bankruptcy with "renewed viability". The

Motor industry shutdowns

DETROIT, March 3.
CHRYSLER CORPORATION said it will close two of its assembly plants for next week to reduce inventories of new cars on dealer lots.

General Motors Corporation said it has scheduled one-day partial closings at three plants in Indiana because of power cutbacks related to the coal strike. GM said plants in Anderson and Kokomo are slated to have production reduced to-day. Another plant in Anderson will be closed partially on Monday. The moves will idle temporarily 5,660 hourly workers.

Chrysler said the temporary closings will be at its Newark, Delaware plant, which builds compact and intermediate-sized cars, and its Windsor, Ontario, facility, which also builds intermediate-sized vehicles. The closings will idle temporarily 9,300 hourly workers. AP/DJ

EOE applications swell

BY OUR OWN CORRESPONDENT
AMSTERDAM, March 3.
THE EUROPEAN options exchange (EOE) has accepted applications for 182 membership, rules governing U.K. firm's membership. There is strong interest from Belgium, but some seats and by the time trading starts on April 4 this number will be almost 200. The EOE now has 65 public order members, 32 floor brokers, 55 market makers and 10 clearing members.

The list of market makers consists of 45 American firms and only two Dutch. However, applications from 10 potential Dutch members are now being vetted. The number of clearing members is unchanged from the first list issued early last month but there may be one or two more after the EOE has opened.

It expects to start as planned on April 4 with the opening ceremony being performed by the Finance Minister, Dr. Frans Andriessen.

The Exchange hopes for a decision from the Bank of England and the Board of Trade within the next few days.

Payments by Uniroyal

WASHINGTON, March 3.
A NEW REPORT on Uniroyal disclosed the tyre maker made more than \$5m. in hidden payments to help agents and customers evade local income tax and currency laws.

Although many other U.S. companies have reported such payments, Uniroyal's disclosures are the most detailed. The report, which was obtained by the U.S. Attorney General's office, provides intriguing details about the purpose of such arrangements.

As described by Special Counsel Mr. John Peloso in his review of the period from 1971 to 1976, Uniroyal's payments were generally made in third countries or to third parties on behalf of the agents and customers. That this procedure helped the company to avoid the laws of their home countries is evident from letters and memoranda in Uniroyal's files, Mr. Peloso said.

The Special Counsel's report further noted that such arrangements contradicted claims on Uniroyal's part that the company was committed to "ethical" and "correct" conduct.

The Special Counsel also found that Uniroyal's practice of overbilling customers and rebating the overbilled amount to customers' bank accounts in third countries was "highly improper".

Judgment for United Nuclear

BY OUR OWN CORRESPONDENT
NEW YORK, March 3.
UNITED NUCLEAR has been awarded a default judgment for \$2.5m. in damages by a New York court in its 12th annual damages suit against General Atomic, a joint venture of Gulf Oil and the Royal Dutch-Shell group. In making his ruling, however, Judge Edwin L. Feltner said that the trial should continue in order for the court to determine damages. He emphasised that his ruling does not cover the damages request, and that United Nuclear will have to establish any damages in subsequent legal proceedings.

United Nuclear said to-night that the judge's ruling had come as a result of the failure of General Atomic to produce evidence in its defence. In his ruling, the judge commented that General Atomic's policy of "cynical disregard and disdain of the Rules of Discovery and the court's discovery orders, of concealing rather than in good faith revealing the true facts concerning the uranium cartel in which Gulf was involved."

General Atomic this evening described the decision as "outrageous and unprecedented," saying that it showed utter disdain for its right to due process and for the facts of the case. General Atomic's attorneys are now planning to

Steel chief optimistic

BY OUR OWN CORRESPONDENT
NEW YORK, March 3.
FURTHER EVIDENCE of growing optimism in the U.S. steel industry about the prospects of slowing the growth of foreign steel imports this year emerged to-day with a statement from the chairman of Inland Steel, one of the nation's leading steel makers.

Mr. Frederick Jaicks said that he now estimates that the trigger price mechanism which the government has established for setting of government anti-dumping actions could lead to a reduction to 15m. tons from this year's record 16m. tons in the volume of steel imports.

Mr. Jaicks' remarks follow an announcement yesterday from the industry leader U.S. Steel that it was withdrawing an anti-dumping suit it had filed against Japanese steel makers. The announcement was widely interpreted as at least a tentative vote of confidence in the prospects of effective implementation of the trigger price mechanism.

The First Viking Commodity Trusts

Commodity OFFER 40.5
Trust BID 38.5

Double OFFER 91.0
Option Trust BID 88.0

Commodity & General Management Co Ltd
8 St George's Street
Bangkok 101 of Man.
Tel: 0254 4882

WARDGATE FUND
at 28th February 1978 49.54.93
WCF M&P LIMITED
P.O. Box 73
St. Helier, Jersey
Next dealings 21st March 1978

One unofficial suggestion is that the Italian authorities may finally give the project restricted approval.

Steel chief optimistic

BY OUR OWN CORRESPONDENT
NEW YORK, March 3.
FURTHER EVIDENCE of growing optimism in the U.S. steel industry about the prospects of slowing the growth of foreign steel imports this year emerged to-day with a statement from the chairman of Inland Steel, one of the nation's leading steel makers.

Mr. Frederick Jaicks said that he now estimates that the trigger price mechanism which the government has established for setting of government anti-dumping actions could lead to a reduction to 15m. tons from this year's record 16m. tons in the volume of steel imports.

Mr. Jaicks' remarks follow an announcement yesterday from the industry leader U.S. Steel that it was withdrawing an anti-dumping suit it had filed against Japanese steel makers. The announcement was widely interpreted as at least a tentative vote of confidence in the prospects of effective implementation of the trigger price mechanism.

Steel chief optimistic

BY OUR OWN CORRESPONDENT
NEW YORK, March 3.
FURTHER EVIDENCE of growing optimism in the U.S. steel industry about the prospects of slowing the growth of foreign steel imports this year emerged to-day with a statement from the chairman of Inland Steel, one of the nation's leading steel makers.

Mr. Frederick Jaicks said that he now estimates that the trigger price mechanism which the government has established for setting of government anti-dumping actions could lead to a reduction to 15m. tons from this year's record 16m. tons in the volume of steel imports.

Mr. Jaicks' remarks follow an announcement yesterday from the industry leader U.S. Steel that it was withdrawing an anti-dumping suit it had filed against Japanese steel makers. The announcement was widely interpreted as at least a tentative vote of confidence in the prospects of effective implementation of the trigger price mechanism.

COMMODITIES/Review of the week

U.S. stockpile sales sought

BY OUR COMMODITIES STAFF
LEGISLATION REQUESTING authorisation to sell 25,000 long tons of tin and 62,500 long tons of silver from the U.S. strategic stockpile was submitted to the U.S. Congress yesterday.

The General Services Administration, responsible for the stockpile, is also seeking approval to ease nine other materials in its stockpile deemed to be plus to requirements.

The Bill was introduced on behalf of the Carter Administration by Senator Hart, whose committee on subcommittee early next week of an Administration proposal to release 5,000 tons of copper tin in its contribution to the International Tin Council for stock.

However, the approval of Congress is by no means assured, as there are many conflicting views on stockpile releases and it is likely to be some time before they are resolved.

The tin market, which started weak on a buoyant note, came thoroughly confused and volatile. But forecasts of a sharp rise in warehouse stocks available to a firm undertone. As a result, tin closed \$180 up on week at \$2,625 a tonne.

Copper prices were boosted by that three of the leading exporting countries—Peru, Zambia and Zaire—had agreed to a 15 per cent, cutback in production. This effectively reversed a decline that had been triggered by the U.S. producer, Asarco, cutting its domestic price by 3 cents to 60 cents a lb—\$1,500.

Intensions. Nevertheless, copper prices were also lifted by forecasts of another steep decline—of more than 20,000 tonnes—in warehouse stocks this week, believed to be more shipments to the U.S. to beat any possible import curbs. Cash wirebars closed last night \$18 up on the week at \$532 a tonne.

Lead and zinc values were also firmer on predicted stock declines, and buying reported to be on behalf of producer interests. Cash zinc moved to a small premium over the three-month quotation.

Cocoa prices fell back sharply on the London futures market yesterday following reports that Russia was seeking delays of up to two months on contracted shipments. The May quotation, which had gained \$177 earlier in the week, ended \$83 lower on the day at \$1,666-5 a tonne.

The earlier rally, which took May cocoa to the year's highest level, was seen by most dealers as an "intended correction to the recent oversold situation." But some market sources thought the week's upsurge had created an equally serious overbought situation before yesterday's decline.

Coffee prices fell steadily all week to end \$11.55 lower on balance. The 3-month New York where many speculators decided to liquidate their "long" holdings. There was virtually no fundamental news affecting the market.

MARKET REPORTS

BASE METALS

COPPER—Higher of the London Metal Exchange, helped by a large stock decline and heavy to physical buying. But there was no follow through. Copper and tin closed last night on the week was \$53.2, turnover 35,475 tonnes.

COPPER—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

WIREBAR—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

LEAD—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

ZINC—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

COCOA

As charter party—substantially, production and continued first-hand supply pushed prices sharply lower. CIL and Duffus reported.

COCOA—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

WOOL FUTURES

LONDON—A shade easier in light trading. Bache reported.

WOOL—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

U.S. Markets

Rally by copper; sugar weak

PRECIOUS METALS were lower following a smaller than expected balance of trade and a decline in the volume of exports of gold and silver. Copper rallied following expectations of a 25,000-ton decrease in stockpile. Sugar closed on the weak side on a decline in the volume of exports. Commission House, Bache closed lower on Commission House profit-taking and trade hedge selling following the recent sharp advance. Bache reported.

COPPER—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

SUGAR—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

WEEKLY PRICE CHANGES

Commodity	Unit	1977/78	1977/78	1977/78
Wheat	100 lbs	2.10	2.10	2.10
Barley	100 lbs	1.80	1.80	1.80
Oats	100 lbs	1.50	1.50	1.50
Rye	100 lbs	1.20	1.20	1.20
Maize	100 lbs	1.00	1.00	1.00
Soybeans	100 lbs	1.50	1.50	1.50
Beans	100 lbs	1.20	1.20	1.20
Peas	100 lbs	1.00	1.00	1.00
Lentils	100 lbs	0.80	0.80	0.80
Flour	100 lbs	1.50	1.50	1.50
Wheat	100 lbs	2.10	2.10	2.10
Barley	100 lbs	1.80	1.80	1.80
Oats	100 lbs	1.50	1.50	1.50
Rye	100 lbs	1.20	1.20	1.20
Maize	100 lbs	1.00	1.00	1.00
Soybeans	100 lbs	1.50	1.50	1.50
Beans	100 lbs	1.20	1.20	1.20
Peas	100 lbs	1.00	1.00	1.00
Lentils	100 lbs	0.80	0.80	0.80
Flour	100 lbs	1.50	1.50	1.50

GRAINS

LONDON FUTURES (GAPFA)—The market for grain futures was mixed on the day. Wheat futures were mostly steady, while barley and oats futures were lower. Maize futures were higher. Soybean futures were lower. Bean futures were higher. Pea futures were lower. Lentil futures were higher. Flour futures were lower.

COFFEES

ROBUSTA—As charter party—substantially, production and continued first-hand supply pushed prices sharply lower. CIL and Duffus reported.

COFFEE—L.M.E. 3-month 53.2, 12-month 53.2, 12-month 53.2.

SUGAR

LONDON FUTURE PRICE for raw sugar was \$12.00 a tonne. The market was mixed on the day. Sugar futures were mostly steady, while sugar beet futures were lower. Sugar cane futures were higher. Sugar molasses futures were lower.

VEGETABLE OILS

LONDON PALM OIL—Close: March 27.00, April 27.00, May 27.00, June 27.00, July 27.00, August 27.00, September 27.00, October 27.00, November 27.00, December 27.00.

STOCK EXCHANGE REPORT

Equities steadier in thin trade after Thursday's falls
Index up 2.8 for week's loss of 8 points—Gilts harder

Account Dealing Dates

Option

First Declara-

Last Account

Dealing Dates

Day

Feb. 23

Feb. 24

Mar. 7

Mar. 10

Mar. 21

Mar. 31

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Account Dealing Dates

Option

First Declara-

Last Account

Dealing Dates

Day

Feb. 23

Feb. 24

Mar. 7

Mar. 10

Mar. 21

Mar. 31

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Account Dealing Dates

Option

First Declara-

Last Account

Dealing Dates

Day

Feb. 23

Feb. 24

Mar. 7

Mar. 10

Mar. 21

Mar. 31

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Account Dealing Dates

Option

First Declara-

Last Account

Dealing Dates

Day

Feb. 23

Feb. 24

Mar. 7

Mar. 10

Mar. 21

Mar. 31

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

Jun. 21

Jul. 11

Jul. 21

Aug. 11

Aug. 21

Sep. 11

Sep. 21

Oct. 11

Oct. 21

Nov. 11

Nov. 21

Dec. 11

Dec. 21

Jan. 11

Jan. 21

Feb. 11

Feb. 21

Mar. 11

Mar. 21

Apr. 11

Apr. 21

May 11

May 21

Jun. 11

AUTHORISED UNIT TRUSTS

STOCK INDEX

[illegible]

INSURANCE BASE RATES	
† Property Growth	7.10%
† Vanbrugh Guaranteed	7.37%

† Address shown under Insurance and Property Bond Table.

100

Relative Strength

Relative strength is the difference between a good and a bad stock. We supply relative strength charts for the leading companies, plus all the other price information necessary for successful investment.

Write or telephone for a free sample.

CHART ANALYSTS LIMITED
194-200 Bishopsgate, London, EC2M 4PE.
Tel: 01-253 4376

FINANCIAL TIMES

Saturday March 4 1978

Skipton's
stronghold for savings

100% Security
100% Flexibility
100% Growth

London Office: 81 Fenchurch Lane
Tel: 01-242 8147

MEN OF THE WEEK

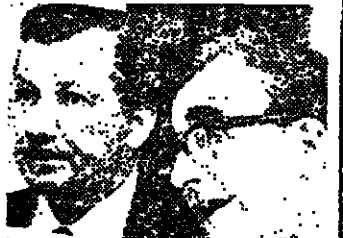
Not on the same tracks

BY CHRISTIAN TYLER

YORKSHIREMEN pride themselves on their plain speaking. And two of the plainest speakers in the trade union movement today are Mr. Ray Buckton and Mr. Sid Weighell, who grew up only a few miles apart in North Yorkshire.

Mr. Buckton, as every computer knows, is general secretary of the Associated Society of Locomotive Engineers and Firemen; Mr. Weighell of the National Union of Railwaymen.

The trouble is that the two rarely see eye-to-eye, and when their unions are in conflict, as they are now once again, the railway passenger is more often than not the sufferer. So far this time the passenger has been spared. ASLEF withdrew at the last minute its threat of a national strike on Wednesday over a deal for some NUR guards, but not without some tongue-lashing from Mr. Weighell who has come to defend the train drivers' penchant for bringing out the big stick. Yet it is the threat of action by the NUR that originally prompted British Rail to make a deal, in the knowledge that ASLEF might react.



Ray Buckton and Sid Weighell
Rarely see eye to eye

Relations between the two unions are now possibly worse than ever. There may be no personal animosity between the two general secretaries and they have co-operated on a save-the-railways campaign, but their positions certainly do not make them friends. As one union official said yesterday: "I hope you don't think I'm going to get a joint photograph."

Mr. Buckton, general secretary since 1970, is a placid man, but can look fierce and aggressive enough when he goes on television to convey the decisions of his hardline nine-man national executive committee. Privately he is one of the most engaging and friendly men at the top of the union movement.

Mr. Weighell, who took over with much sabre-rattling just three years ago, is short, self-confident and highly-strung, with an autocratic style. With his quick eye and fluent tongue, he is a natural propagandist and political lobbyist.

Bad blood

Bad blood between the two unions can be traced back to the mid-fifties when ASLEF went on strike and the NUR told its members to keep working.

The bitterness has increased in recent years. Ray Buckton, it is said, is too much of the mercy of his executive and ASLEF—with 25,000 members today compared with the NUR's 180,000—was robbing the NUR of its role as the industry's spokesman.

When Sid Weighell took over, he decided to cut ASLEF down to size again.

As a result, recent years have been marked by fierce tactical struggles and one-upmanship in national negotiations—negotiations complicated by the fact that the NUR too has train drivers in its membership (Mr. Weighell is one himself).

ASLEF is a small craft union battling to retain the status and pay differential of the footplate in a world where technology has overtaken him. The driver is no longer at the top of the pay ladder—many signalmen and technicians earn more. That decline has been made worse by the flat-rate payments of recent incomes policies which in ASLEF's eyes have wrecked a structure so painfully achieved by arbitration.

So once again the annual pay talks, now getting under way, will be punctuated with hostility and threats. The NUR, proud of its part in founding the Labour Party, has no mind to rock the Government's boat. ASLEF, which has voted against each of the incomes policies, will keep its eyes firmly on its members' pay packets.

Japan likely to peg car sales to U.K.

BY CHARLES SMITH

TOKYO, March 3.

JAPAN'S MINISTRY of International Trade and Industry appears to have given undertakings to Britain to restrain Japanese car exports to the U.K. and fears that a promise to at about last year's levels, although no announcement to this effect is to be made in Tokyo for the time being.

After the last round of talks between the Ministry and the British Embassy, which took place this afternoon, the embassy was apparently given a letter setting out the Japanese Government's position on the car-export issue.

The contents of the letter will form the basis for an announcement to be made probably by Mr. Edmund Dell, the Trade Secretary, in the Commons on Tuesday.

Statements by Japanese car manufacturers about the U.K. Japanese exporters have been guarded in the last few days. A spokesman for the Japanese car industry, however, has been to stress that exports this year are "not expected" to be up on last year's level.

Car manufacturers have also been cautious about export prospects in British markets elsewhere in Europe and the United States. Japan sees problems for its car exports to other markets besides Britain, and fears that a promise to restrain exports to the U.K. could stimulate demands for similar restraints elsewhere.

All that is being said officially is that the Japanese Ministry and the British Embassy have concluded 10-day talks on Japanese car exports to the U.K.

The talks, according to the embassy, produced "a clarification of the intentions of the Japanese motor industry" towards the British market—more precisely, of the wording of the communiqué issued after the talks last month between the two industries.

The communiqué said that Japanese exporters had declined to give a commitment to restrict exports to the U.K., but promised, however, has been to stress that exports this year are "not expected" to be up on last year's level.

Mr. Terry Dodsworth writes: Mr. Dell will be able to point to a substantial recovery in British Leyland's sales last month when he makes his statement to the Commons.

Although Japan's share of the market remained high last month, at almost 13 per cent, Leyland's new Superdel campaign has pulled the British company up from a 21.4 per cent share last month to about 25 per cent.

After almost four months of relatively uninterrupted production, Leyland now has about 130,000 cars in stock and believes that it can maintain the momentum of sales.

The improved figures will support Japan's view that Leyland's problems, which prompted the company to ask the Government for curbs on Japanese cars, are caused more by the company's own failure to produce than aggressive competition.

On the other hand, the Government is likely to want some decline in the present high rate of Japanese car sales. The Japanese importers' market share is running at about 2.5 per cent, more than last year's average.

Mr. Buckton, as every computer knows, is general secretary of the Associated Society of Locomotive Engineers and Firemen; Mr. Weighell of the National Union of Railwaymen.

The trouble is that the two rarely see eye-to-eye, and when their unions are in conflict, as they are now once again, the railway passenger is more often than not the sufferer. So far this time the passenger has been spared. ASLEF withdrew at the last minute its threat of a national strike on Wednesday over a deal for some NUR guards, but not without some tongue-lashing from Mr. Weighell who has come to defend the train drivers' penchant for bringing out the big stick. Yet it is the threat of action by the NUR that originally prompted British Rail to make a deal, in the knowledge that ASLEF might react.

Relations between the two unions are now possibly worse than ever. There may be no personal animosity between the two general secretaries and they have co-operated on a save-the-railways campaign, but their positions certainly do not make them friends. As one union official said yesterday: "I hope you don't think I'm going to get a joint photograph."

Mr. Buckton, general secretary since 1970, is a placid man, but can look fierce and aggressive enough when he goes on television to convey the decisions of his hardline nine-man national executive committee. Privately he is one of the most engaging and friendly men at the top of the union movement.

Mr. Weighell, who took over with much sabre-rattling just three years ago, is short, self-confident and highly-strung, with an autocratic style. With his quick eye and fluent tongue, he is a natural propagandist and political lobbyist.

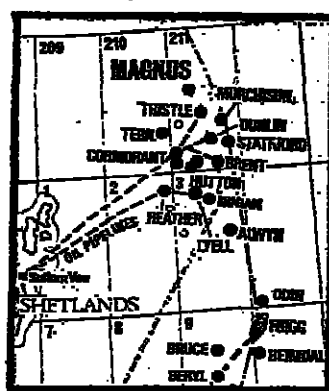
Bad blood between the two unions can be traced back to the mid-fifties when ASLEF went on strike and the NUR told its members to keep working.

The bitterness has increased in recent years. Ray Buckton, it is said, is too much of the mercy of his executive and ASLEF—with 25,000 members today compared with the NUR's 180,000—was robbing the NUR of its role as the industry's spokesman.

When Sid Weighell took over, he decided to cut ASLEF down to size again.

As a result, recent years have been marked by fierce tactical struggles and one-upmanship in national negotiations—negotiations complicated by the fact that the NUR too has train drivers in its membership (Mr. Weighell is one himself).

ASLEF is a small craft union battling to retain the status and pay differential of the footplate in a world where technology has overtaken him. The driver is no longer at the top of the pay ladder—many signalmen and technicians earn more. That decline has been made worse by the flat-rate payments of recent incomes policies which in ASLEF's eyes have wrecked a structure so painfully achieved by arbitration.



BP will spend £1bn. on field

By Ray Daft, Energy Correspondent

BRITISH PETROLEUM is to spend about £1bn. on the exploitation of its Magnus Field, the most northerly commercial discovery in the North Sea. The field is adding to U.K. oil production by late 1981 or early 1982.

The company said yesterday that its Board had approved the development proposal and that it would shortly submit its plans to the Department of Energy.

Magnus is a medium-sized field with an estimated 400m. barrels of recoverable reserves. BP said that it expected the field to produce oil and gas liquids at a peak rate of 125,000 barrels a day. This is about a quarter of the maximum rate expected shortly to be attained from BP's Forties Field.

Forties is one of the most profitable fields in the North Sea. This fact must have influenced the Magnus development decision. Capital allowances for Magnus expenditure can be claimed against the Forties Corporation tax bill.

In relation to its size Magnus will be one of the most expensive fields to develop in the North Sea.

Dr. Jack Birks, a managing director of BP, hinted at the cost late in November when he said that a deep-water field producing about 100,000 barrels a day or more could cost about £1bn. to develop.

British equipment suppliers hope to receive a major share of the £1bn. investment. After evaluating a number of novel production systems, BP is thought to have decided to exploit the field with a conventional steel platform.

The Magnus Field, in Blocks 211/12 and 211/7, lies beneath 615 feet of water. As a result the platform will be one of the tallest in the North Sea, costing an estimated £100m. to £150m. excluding production equipment.

British platform-builders, still suffering from substantial surplus capacity, are likely to bid strongly for the basic platform contract.

Details of the production plan have not been disclosed, although it is likely that BP will build a pipeline to carry the oil from Magnus to the Ninian pipeline transmission system, in which BP also has an interest.

Continued from Page 1

Engineers

stipulations had been unanimous. Mr. Seaton said.

Informal talks between the unions and the federation on Thursday had produced a formula with agreement in principle if not on wording.

Yesterday morning, however, said to receive a telephone call and letter which made agreement impossible.

The employers' federation denied that such a formula existed. Its letter apparently referred to a disagreement over the introduction of new minimum rates among employees' earnings were below the proposed new minima.

Because of the industry's two-tier bargaining, many workers receive well above the national rates. For them the national rates determine only overtime, shift and holiday pay.

The federation has offered to raise the skilled rate—£32 a week since early 1976—to £37 from this month and £60 in August, with pro-rata increases for semi- and unskilled workers.

It said that these moves could not be made, however, until the anniversary of local agreements came round.

THE LEX COLUMN

Analysts shoot at a moving target

Yesterday's encouraging figure for the public sector borrowing requirement in the December quarter—only £1.13bn. after seasonal adjustment—represents yet another confusing joker in the pack of recent financial statistics. The Government has been far under-shooting its PSBR forecasts.

Bank lending has been rising at only a moderate rate and gilt-edged sales have been high. These favourable factors should have led to a situation of tight monetary control—but instead the money supply on the sterling M3 measure has been growing at well above the maximum target rate of 13 per cent, and has undermined the confidence of the stock market.

Next Tuesday's February banking figures are awaited with some trepidation, although they are unlikely to themselves clear up the current uncertainties one way or the other. Meantime, the PSBR news encouraged the gilt-edged market yesterday: the outlook for the year looks likely to be less than £6bn., although probably not as good as the £4.8bn. annual rate achieved in the first nine months.

Company profits

It all started off with Guest Keen last September. Two days after the FT 30-Share Index hit its all-time high of 549.2, Guest Keen disclosed half-year figures which were about a fifth below the market's targets. Since then, the link has scarcely had time to dry on one set of analysts' forecasts before it has been necessary to produce another, gloomier, range of estimates.

EMI is the latest shocker. Six months ago, profits of nearly £70m. were widely expected for 1977-78. After this week's interim report, the target now is about £40m.

The result is that prospective profits of the constituents of the 30-Share Index are now expected by a sample of leading brokers to amount to just over £3.1bn. In September, these same brokers were projecting aggregate profits for the 30 companies in 1977-78 of over £3.8bn. In other words, they have downgraded their estimates by nearly a fifth—which is almost exactly in line with the fall in the Index itself.

Admittedly, the aggregate figures have been swollen by the enormous revisions which have been found to be necessary for the two biggest Index constituents, ICI and BP. Back in September, analysts were

hoping that each of these two groups would make over a quarter more in 1978 than now seems likely. All the same, a bleaker outlook now extends to pretty well all the companies on the list. Only one (John Brown) is now expected to produce significantly more than then seemed likely, and on average the brokers have revised down their forecasts for the 30 companies by just over 11 per cent.

Maybe they were all over-egging the pudding a little in the excitement of a roaring bull market. But this is not in itself an adequate explanation for the changes—and nor is the recovery of sterling. Obviously currency changes have had some adverse impact, but the fact is that Distillers, Beecham, and Glaxo—all very substantial exporters—are among the few companies for which profit estimates so far remain broadly unchanged.

However, in general terms expectations for U.K.-based businesses have deteriorated less than most—especially for those nearest to the consumer, like Boots or Marks and Spencer. The main victims have been the groups most closely linked to international trade cycles, like ICI, BP, Courtaulds or P & O.

A sharp dip in the rate of profits growth towards the end of 1977 has already become clear. Brokers Phillips and Drew reckon that an annual rate of increase of 21 per cent in industrial profits during the first half of the year was followed by a rise of little more than 3 per cent in the second half of six months. Now, a number of brokers are looking for a profit rise of between a fifth and a quarter during 1978 are talking of something nearer a tenth.

These are, of course, historic cost figures. In real terms the performance is much better in a period when it has been falling away, and this means that dividend-paying powers be much greater than the reported figures might suggest. But it will take some while for the analysts to egg off their faces and the confidence to come to some convincing buy recommendations.

Property finance

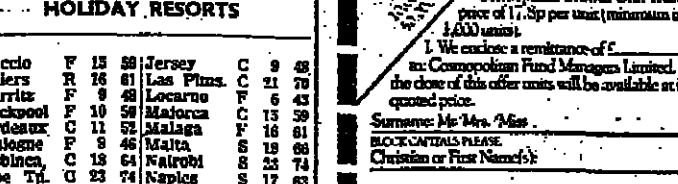
There are signs that institutional investors are again emerging as a source of funds for property companies. A couple of years ago when such as Sun Life's fought take-over of Artag, the headline property companies looked institutions as hungry as tigers.

But times change. Property companies are much healthier position a institutions are finding it singly difficult to find property investments of their own. So they are having once again on the experience of individual property companies.

Two deals this week line the growing financial operation between the companies and their institutional backers. On M Friends Provident Life, enabled Regional Property put its financing on a sounder footing by subscribing for £5m. of Convertible stock, and yesterday Insurance put up another for Brixton Estates.

This deal is the more interesting of the two. Royal is the money for 15 years interest rates pitched at 11 per cent. Treasury in return it has an option to subscribe for 1m. of Ordinary shares at 10p (the last night's price of 85p). The deal is a life-saver. Compared with yields on office property of not more than 5 per cent, Royal is receiving a healthy return on its investment. The option to subscribe Ordinary shares at some date gives it a chance to fit from future capital. Meanwhile the deal for Brixton that it is paying 2.3 per cent less than it would have in traditional fixed rate and the options do not in anywhere as much dilution is involved in the Reg Properties deal.

Index rose 2.8 to 436.2



These are, of course, historic cost figures. In real terms the performance is much better in a period when it has been falling away, and this means that dividend-paying powers be much greater than the reported figures might suggest. But it will take some while for the analysts to egg off their faces and the confidence to come to some convincing buy recommendations.

Property finance

There are signs that institutional investors are again emerging as a source of funds for property companies. A couple of years ago when such as Sun Life's fought take-over of Artag, the headline property companies looked institutions as hungry as tigers.

Callaghan attacks Tory policy 'witches brew'

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN responded last night to the Tory victory at Ilford North by urging the Labour Party to redouble its fight against the "fear and prejudice of the witches' brew" of Tory policies.

While Mrs. Margaret Thatcher celebrated in jubilant celebration of their sixth by-election gain from Labour, the Prime Minister told a party meeting in the Rhonda that the Opposition campaign threatened the country with "a society bagridden by division."

But Mr. Callaghan added: "We will overcome cynicism with belief, and opportunism by principle."

Dr. David Owen, the Foreign Secretary, and Mr. Roy Hattersley, Prices Secretary, strongly reinforced the appeal to the Labour movement to throw its full weight into this political struggle.

Mr. Hattersley said that a Labour victory at the General Election would depend on the party's success in eliminating Tory "diversions" like immigration, and fighting the contest on economic policy.

Dr. Owen said that Britain must adopt a non-racial position at home and abroad if it wanted to be taken seriously as a political and moral world leader.

While some Labour votes were lost because of the immigration issue at Ilford, a Government analysis suggests that the electoral damage was restricted by the vigorous reaction which the issue aroused among other Labour supporters.

The Labour vote remained surprisingly solid; the voting switch to the Tories was the lowest for two years, and closing the 6.9 per cent margin by no means presents Labour with an insuperable task in the next six or seven months.

Sir Harold Wilson suggested last night that action be taken to nullify the National Front threat by raising the deposit for election candidates from £130 to £1,250.

There was general agreement that the collapse of the Liberal vote now seems as great a cause for concern to the Prime Minister as it is to Mr. David Steel, the Secretary of State for Scotland.

On present indications the Tories could expect to pick up a valuable bonus from Liberal losses in the General Election. Picture, poll figures, Page 17

Bid to avert house price boom

BY MICHAEL CASELL, BUILDING CORRESPONDENT

THE GOVERNMENT was determined that there would be no repetition of the 1972-73 house price boom, Mr. Peter Shore, Environment Secretary, said last night.

His comments were made the day after officials from his department and the Treasury asked building societies to reduce their mortgage lending programme to help prevent any house price explosion. The societies meet next week to discuss the request.

Mr. Shore said that there were indications of a sharp increase in house prices. It was not in the public interest that the house should now move ahead faster than prices generally. The Government's legitimate responsibility was to see that house prices did not rise at "an unacceptable rate."

Providing evidence that there had been a marked acceleration in prices in the past few months, Mr. Shore said that the average price of second-hand homes was increasing at about 13 per cent, while the price for average new homes was rising at an annual rate of nearer 20 per cent.

If this movement were to continue and to be repeated as a market pattern in all types of housing in all parts of the country and for the months ahead, then the result would be that fewer people would be able to become home owners.

His first concern, he said, was to ensure that prices did not rise at such a rate as to push houses beyond the reach of first-time buyers.

He said that rising house prices were not just a matter for the Government. He knew that the societies were as anxious as anyone to maintain an orderly market. They and the builders knew that an uncontrolled surge of prices would lead only to an eventual reduction in demand.

Spectres haunting house prices, Page 15

Tanners win right to sue NEB

BY LYNTON McLAIN, INDUSTRIAL STAFF

THE GOVERNMENT appears to have accepted the right of 14 independent tanning companies to take legal action against the NEB to block a move by the 15 companies to challenge its partnership with Barrow Hepburn Gale in the recently-formed British Tanners Products.

The 14 tanning companies said yesterday that Mr. Sam Silkin, the Attorney-General, had granted his fiat for their action against the NEB to proceed as a relator action.

Such a move points to the Government's backing for the right of the tanners, or anybody else, to bring legal proceedings against a public body.

At a court hearing in January, Mr. Justice Forbes turned down an attempt by the NEB to block a move by the 15 companies to challenge its partnership with Barrow Hepburn Gale in the recently-formed British Tanners Products.

British Tanners was set up last year by the NEB and Barrow Hepburn from the loss-making tanning interests of Barrow Hepburn.

The NEB put up £3m. and has just said it will channel £13m. more into British Tanners, which has incurred a substantial loss. The 14 companies have argued

that the NEB's moves are contrary to its guidelines, which require it to act on a commercial basis.

These companies have been seeking a court injunction that the NEB had no power to make what they allege was a discriminatory use of its funds. They claim damages for breach of duty.

The NEB has, however, appealed against Mr. Justice Forbes' decision, said last night: "Neither we nor our lawyers have received any notification of this apparent development and therefore can make no comment."

"Now nobody can say we do not have the right to bring the NEB to trial," said Mr. John Pittard, chairman of the Pittard group of tanning companies and spokesman for the 14 companies. "The announcement by Mr. Silkin authorising our action is a very important point of law."

Continued from Page 1

Borrowing

about how far any cuts in income tax might be offset by a small rise in indirect taxes.

The public sector borrowing requirement was £1.13bn. seasonally adjusted, in the final three months of 1977, compared with £1.55bn. and £924m. in the previous two quarters.

The nine-month total of £3.6bn. is only just over half the figure for the same stage of 1976-77. A major reason for the difference is buoyant revenue, though the autumn tax cuts will boost borrowing slightly in the current quarter.

Borrowing by public corporations is £1.2bn. less than at this stage a year ago as a result of improved profits and lower capital expenditure.

Weather

U.K. TO-DAY

MAINLY dry, sunny intervals. London, E. Anglia, S.W. Cent. S. England, Midlands, S. Wales, Channel.

Fog clearing. Mostly dry. Sunny periods. Max. 10-11C (50-52F).

E. Cent. N. and N.E. England Mostly dry. Sunny intervals. Max. 8C (46F).

N. Wales, N.W. England, Lake District, Isle of Man Fog patches clearing. Mostly dry. Sunny periods. Max. 9-10C (48-50F).

Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, N. Ireland Fog patches clearing. Showers. Sunny intervals. Max. 8C (46F).

Business Centres

City	Yday	Today	Yday	Today
Mid.	Max.	Min.	Max.	Min.
Amsterdam	10	8	10	8
Antwerp	10	8	10	8
Birmingham	10	8	10	8
Bombay	30	28	30	28
Buenos Aires	20	18	20	18
Calcutta	30	28	30	28
Canton	20	18	20	18
Cebu	30	28	30	28
Colon	30	28	30	28
Hankow	20	18	20	18
Harbin	10	8	10	8
Hong Kong	30	28	30	28
Kobe	20	18	20	18
London	10	8	10	8
Lyons	10	8	10	8
Manila	30	28	30	28
Medan	30	28	30	28
Osaka	20	18	20	18
Paris	10	8	10	8
Rangoon	30	28	30	28
San Francisco	10	8	10	8
Singapore	30	28	30	28
Sourabaya	30	28	30	28
Tientsin	20	18	20	18
Yokohama	20	18	20	18

HOLIDAY RESORTS

HOLIDAY RESORTS							
Enders	F	15	81	Jersey	C	9	45
Ennis	F	15	81	Lisa Plums	C	9	45
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43
Ennis	F	9	49	Locarno	C	6	43